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Pact Commission for Disarmament Questions Ends

LD1205194488 Warsaw Domestic Service in Polish 1800 GMT 12 May 88

[Text] The second session of the Warsaw Pact states' Special Commission for Disarmament Questions was held in Warsaw 10-12 May. It examined activities aimed at speeding up the negotiations on the reduction of armed forces and conventional weapons in Europe and the situation at the consultations between representatives of the Warsaw Pact states and NATO in Vienna, on working out their mandate. Work was continued on a joint concept for future negotiations and on possible means of preventing the threat of a sudden attack. There was also discussion of other issues concerning arms limitation, disarmament, confidence-building and security measures, and the commission's further work.

Chnoupek Arrives in GDR for Pact Meeting

LD1305090088 East Berlin ADN International Service in German 0818 GMT 13 May 88

[Text] Berlin, 13 May (ADN)—Bohuslav Chnoupek, member of the CPCZ Central Committee and CSSR Foreign Minister, arrived in the GDR capital this morning for the Warsaw Pact foreign ministers' meeting. He was cordially welcomed at Berlin-Schoenefeld Airport—which was decked with the flags of the member countries and the red banner of the working class—by Oskar Fischer, of the SED Central Committee and GDR foreign minister.

Other participants in the Berlin meeting are expected during the morning.

Zhivkov Receives Pact Military Leaders

AU1305081688 Sofia Domestic Service in Bulgarian 0800 GMT 13 May 88

[Text] On 13 May Comrade Todor Zhivkov received at Sofia's Party Club the leaders of the delegations of the fraternal armies, which took part in the session of the Military Council of the Joint Armed Forces of the Warsaw Pact Member States. The meeting, which took place in a cordial and friendly atmosphere, was attended by Army General Dobri Dzhurov, member of the BCP Central Committee Politburo and minister of national defense, and USSR Marshal Viktor Kulikov, commander in chief of the Warsaw Pact Joint Armed Forces.

Ovcharov, Song Jian End Talks, Sign Protocol

AU1205161088 Sofia BTA in English 1458 GMT 12 May 88

["Bulgaria, China: Techno-Scientific Cooperation"—BTA headline]

[Text] Sofia, May 12 (BTA)—The official visit of the Chinese governmental delegation headed by Mr Song Jian, state councillor and minister in charge of the State Scientific and Technological Commission of the People's Republic of China, was completed today.

The delegation was acquainted with Bulgaria's achievements in the sphere of electronics, robotics, computer technology, biotechnologies, mechanical engineering and agriculture. The state of the techno-scientific cooperation between the two countries was reviewed and the directions of its further development and widening were outlined. The two sides specified the priority spheres for techno-scientific cooperation.

Today Mr Stoyan Ovcharov, minister of the economy and planning, and the leader of the Chinese delegation, Mr Song Jian, signed a protocol on the reached agreements. The document reflects the mutual agreement for the establishing of the necessary conditions for the development of the direct techno-scientific contacts between the economic and scientific organizations, between Bulgarian regions and Chinese provinces. It includes agreements related to the broadening of the exchange of specialists and scholars.

Special attention was paid to the joint work in the sphere of vanguard technologies and their application in national economy, as well as to the use of Bulgarian technologies in the construction of projects in China and in the processing of raw materials.

Yemeni YSP Official al-Bid Arrives 12 May

AU1205164788 Sofia BTA in English 1551 GMT 12 May 88

[Text] Sofia, May 12 (BTA)—Mr 'Ali Salim al-Bid, secretary general of the Central Committee of the Yemeni Socialist Party, arrived on an official friendly visit to this country today.

The visit is at the invitation of Mr Todor Zhivkov, secretary general of the CC of the BCP and president of the State Council.

At the airport the guest was met by Mr Milko Balev, member of the Politburo and secretary of the CC of the BCP, by Mr Dimitur Stanishev, secretary of the CC of the BCP, and by other officials.

The official programme of the visit starts tomorrow.

Greeted by Zhivkov

AU1305084488 Sofia Domestic Service in Bulgarian 0800 GMT 13 May 88

[Excerpt] As we already reported, 'Ali Salim al-Bid, secretary general of the Central Committee of the Yemeni Socialist Party, arrived on 12 May in Bulgaria on an official visit at the invitation of Todor Zhivkov, general secretary of the BCP Central Committee and State Council chairman.

The official greeting ceremony took place on 13 May at the Boyana Residence. At the entrance of the residence, he was cordially greeted and welcomed by Comrade Todor Zhivkov. 'Ali Salim al-Bid received the report of the commander of the guard of honor, [name indistinct]. The national anthems of the two countries were played. The guest reviewed the guard of honor, which presented military honors. Afterward, Comrade Todor Zhivkov introduced the officials, who came to greet the guest from the People's Democratic Republic of Yemen [PDRY]: Comrades Milko Balev, Nacho Papazov, and Dimitur Stanishev. Representatives of the PDRY Embassy in Sofia also attended the ceremony. The ceremony ended with a festive march by the guard of honor. Afterward, Comrades Todor Zhivkov and 'Ali Salim al-Bid headed toward the residence, where official talks between them will begin soon. [passage omitted]

Report on Economic, Political Talks With Turkey

AU1205145788 Sofia BTA in English 1402 GMT 12 May 88

[Text] Sofia, May 12 (BTA)—From May 9 through May 11, 1988, in Ankara was held the first plenary session of the Joint Bulgaro-Turkish Working Group on Economic Issues, which has been established in fulfilment of the Bulgaro-Turkish protocol signed by the ministers of foreign affairs of Bulgaria and Turkey on February 23, 1988.

The leader of the Bulgarian delegation, Minister Khristo Khristov, was received by Mr Mesut Yilmaz, minister of foreign affairs of Turkey, and by Mr Yavuz Canevi, treasury and foreign trade undersecretary.

During the talks the Turkish delegation was headed by Mr Tansug Bleda, deputy minister of foreign affairs for economy. A wide range of questions of the cooperation in the sphere of economy was discussed. Mutual interest

was ascertained in the increase of trade and cooperation in the different sub-branches of economy, especially in the sphere of ore mining, chemistry, shipbuilding and ship repair, machine tool technology, production of agricultural equipment and machines, telecommunications equipment, veterinary supervision, transport, tourism, etc.

Opinions were exchanged on the improvement of the cooperation in the sphere of rail and long-haul transportation, and the Turkish side expressed readiness to facilitate the Bulgarian motor transit through Turkey.

The two sides discussed also questions related to environment preservation, the possibilities for establishing of a ferryboat line Burgas-Trabzon, the use of new forms of economic cooperation, coordinated control against diseases and pests in agriculture, sanitary supervision against infectious diseases, etc.

Mutual desire was expressed for enhancement of the direct contacts between Bulgarian economic organizations and Turkish companies, as well as for activation of the work of the Joint Bulgaro-Turkish Economic Committee and its subcommissions.

From May 9 through May 11, 1988, in Sofia was held the first plenary session of the Joint Bulgaro-Turkish Working Group on Political Issues, established in fulfilment of the Bulgaro-Turkish protocol signed on February 23, 1988, by the foreign ministers of Bulgaria and Turkey.

The leader of the Turkish delegation, Mr Nuzhet Kandemir, first deputy minister of foreign affairs of Turkey, was received by Mr Petur Mladenov, minister of foreign affairs of Bulgaria, and by Mr Andrey Lukanov, minister of foreign economic relations.

During the talks with the Bulgarian delegation, headed by Mr Ivan Ganev, deputy minister of foreign affairs of Bulgaria, the agenda for the work of the Joint Bulgaro-Turkish Group on Political Issues was coordinated as follows:

1. Examining the measures which shall be undertaken for strengthening of mutual confidence and improvement of the atmosphere with the aim to solve the existing issues in the bilateral relations and to develop further these relations; preparation of a joint declaration containing the principles of good-neighbour relations, friendship and cooperation; the humanitarian issues and the cooperation in the mass media, equally and simultaneously treated.

2. Questions related to the Rezovska River and the Black Sea:

— delimitation of the border line in the mouth of the Rezovska River;

— delimitation of the waters in the bay of the Rezovska River;

— delimitation of the lateral border of the territorial waters in the Black Sea;

— delimitation of the continental shelf in the Black Sea;

— delimitation of the exclusive economic zones in the Black Sea;

— pollution control of the Black Sea.

3. Cooperation in the struggle against terrorism and smuggling of arms and narcotics.

4. Questions related to consular services.

5. The regime of movement of diplomatic and consular agents.

6. Mutual financial and property problems.

The joint working group adopted basic principles for delimitation of the border line in the mouth of the Rezovska River, delimitation of the Bulgarian and Turkish waters in the Rezovska Bay, specification of the lateral border of the territorial sea, delimitation of the continental shelf and of the exclusive economic zones, as well as certain other concrete agreements on consular issues related to the transit passage of travellers and goods through the territories of the two countries.

Agreement was reached for the holding of a meeting between representatives of the customs authorities of Bulgaria and Turkey in order to discuss the fulfilment of the agreement for cooperation in the prevention of illegal trafficking of goods through the border between the two countries, as well as for enhancement of the joint efforts in the struggle against the illegal traffic of narcotics and others.

The talks in Ankara and Sofia passed in an atmosphere of cooperation and understanding.

It was agreed that the joint groups will continue their work.

Zhivkov Receives Departing Brazilian Ambassador

AU1305093488 Sofia RABOTNICHESKO DELO in Bulgarian 12 May 88 p 1

[Text] On 11 May Todor Zhivkov, chairman of the State Council, received Antonio Fantinato Netto, Brazilian ambassador to Bulgaria, in connection with his final departure from the country.

The meeting was attended by Petur Mladenov, minister of foreign affairs.

Zhivkov at Plovdiv Oblast BCP Committee Session

AU1205171488 Sofia BTA in English
1616 GMT 12 May 88

["New Form of Economic Partnership" — BTA headline]

[Text] Plovdiv, May 12 (BTA)—A programme for the development of the regional technologically integrated complex for biotechnology and chemistry was adopted today at the extended meeting of the Plovdiv Region BCP Committee. The meeting was attended by Mr Todor Zhivkov.

The regional technological integrated complex is an economic union of new type. It is an association of self-managing economic and scientific organizations, higher schools and the municipalities. After the example of the biotechnological complex a model has been set up in the region for organization of the work in the priority techno-scientific trends.

The region of Plovdiv has accumulated rich techno-scientific, technological and production experience in the sphere of biotechnologies. Good results have been achieved in the development of new microorganisms and plant varieties, in the mastering of tissue and cell cultures, in the work with highly purified enzymes, preparations and new biologically active substances. Along with all that, biomechanical engineering is also undergoing stable development.

The programme that has been adopted, developed with the active participation of the "Biotechnological and Chemical Industry" Association, will contribute to the achievement of qualitatively new economic and social growth in the region. The new model has substantial differences from the former territorial scientific-production complexes. As an economic association of different self-managing organizations, it will implement a coordinated unified policy in the scientific-production sphere and will concentrate the efforts of all for the solution of the strategic tasks and aims.

Science is the driving force for the resolution of the new tasks. The efforts at present are directed to the formation of active economic ties, to the achievement of sound unity between the university, academic and branch science, between the higher and secondary schools, producers and municipalities.

In his speech Mr Todor Zhivkov stressed that as a new form of partnership the regional territorial integrated complex consolidates in practice the principles of the July Concept for revolutionary restructuring, for overall resolution of the socioeconomic and intellectual problems of the region.

More on Plovdiv Oblast BCP Committee Session

AU1205184888 Sofia Domestic Service in Bulgarian
1730 GMT 12 May 88

[Text] An expanded session of the Plovdiv Oblast BCP Committee held today adopted a program for the development of a regional technologically integrated complex for biotechnology and chemistry. Comrade Todor Zhivkov took part in the session, which was attended by first secretaries of oblast BCP committees, chairmen of associations and economic trusts, scientific workers, and specialists.

Panteley Pachov, first secretary of Plovdiv Oblast BCP Committee, delivered a report on the unity of the interests of territory, science, production, and cadre training as the approach for developing the regional biotechnological complex and the oblast's economy.

The reports and speeches stressed the exceptional importance of biotechnologies for the development of the entire national economy. The municipalities are now extremely interested in ensuring, by means of biotechnologies, better use of the possibilities of their territories for increasing production efficiency.

Biotechnologies have an especially important role to play in renewing agriculture and the food and tobacco industry and in further utilizing agro-industrial and agricultural products, as a result of which serious problems relating to environmental protection will be resolved.

Plovdiv Oblast has accumulated rich experience in scientific-research, technological, and production experience in biotechnologies. Good results have been achieved in developing new microorganisms and plant varieties, in mastering tissue and cell cultures, and in working with highly purified enzymes, preparations, and new biological agents. As well as this, biomechanical engineering is also undergoing rapid development.

Despite everything, these successes still do not provide the opportunity to achieve the necessary qualitative changes. The adopted program, developed with the active participation of the "Biotechnological and Chemical Industry" Association, will help to achieve qualitatively new economic and social growth in the region.

It was stressed at the plenum that the new developments under discussion do not imply the setting up of new organizational-production structures. The aim is to develop and establish fundamentally new direct links and interrelations between territory, science, production, and cadre training, and to direct and manage the interests of the latter in order to achieve qualitatively new growth.

The speeches at the plenum supported the basic ideas and methods for the development of the regional biotechnological complex in the oblast's economy, and appropriate proposals and additions were put forward.

On the instruction of the Politburo of the BCP Central Committee, Comrade Todor Zhivkov congratulated the Plovdiv Oblast BCP organization and the "Biotechnological and Chemical Industry" Association on their initiative in setting up a regional territorial integrated complex in Plovdiv.

He pointed out that, as a new associative organization, the complex will establish in practice the principles of the July Concept for revolutionary restructuring and for the global solving of the region's socioeconomic and intellectual problems. In his speech he devoted some time to certain specific issues relating to implementing the program adopted by the plenum, and voiced the hope that this initiative will also find supporters in other territorial regions and associations.

Comrade Todor Zhivkov spoke of the great importance of the July 1987 Plenum of the BCP Central Committee for promoting the cause of the development of socialism in Bulgaria and for the country's further advance on the path of revolutionary changes.

Reportage, Commentary on Polish Strikes

Gdansk Shipyard Leaders Interviewed

LD1305083488 Prague CTK in English 0736 GMT 13 May 88

[Text] Prague May 13 (CTK)—The Technical Director of the Gdansk shipyard stressed in today's RUDE PRAVO that the recent strike in the shipyard had an exclusively political character, recalling in this context Lech Walesa's statement that the strike is not held to support wage demands but seeks the legalization of the "solidarity" organization.

In an interview, Tadeusz Deptala stressed that the future of the shipyard will depend on the work of its employees.

RUDE PRAVO also interviewed Viktor Borucha, the chairman of the shipyard organization of the Polish United Workers Party, who said inter alia that the events of the past days "have pointed out also our weaknesses and not always effective influence of the party's argument".

RUDE PRAVO Views Situation

AU1105115288 Prague RUDE PRAVO in Czech 7 May 88 p 7

[Miloslav Vitek article: "On the Margin of the Recent Events in Poland; Strikes—What Do They Solve?"]

[Text] There was no good news coming out of Poland last week. Machinery stopped and some production was interrupted for some time in the Nowa Huta plant in Krakow and in the Gdansk shipyards, as well as in other enterprises. The employees of these enterprises or part of them went on strike, demanding considerable wage increases.

The reader may recall the beginning of this decade, when the so-called Solidarity organized one wave of strikes after another. The consequences, especially the considerable increase in inflation, can be felt in Poland to this day. The current strikes do not benefit the PPR economy, but are causing it immense material losses in the form of lost production on which the market at home as well as abroad depended; and they also harm Poland's reputation as a trading partner. We have already reported that in these few days production losses in the Krakow steel works alone amount to Z6.6 billion. It was necessary to adopt extraordinary measures to obtain from foreign markets products that the strikers were not producing so that the gap production would not disturb other sectors of the Polish economy.

What was today's strike about? This is a question that is certainly being asked by our readers, as well as by friends of Poland in other countries. Let us try to find an answer to this question before the only competent people—the Polish comrades—answer it.

The Polish economy is in a difficult spot. It has put itself into this situation not only through its erroneous policy in the seventies, but also as a result of the hostile activity of the already mentioned antisocialist forces in the so-called Solidarity in 1980-81. Their activity was so extreme that in December 1981, when the government imposed a state of emergency as a necessary step to save the Polish state, the national income dropped by 25 percent compared with 1979, and there was nothing to purchase in the shops except for a few bottles of vinegar. At that time and in a situation of huge indebtedness to Western creditors one began to gradually introduce an economic reform based on the autonomy of enterprises, on self-financing and self-management bodies to guarantee the development of initiative. Within a few years production was successfully increased to the highest level in Poland's history, exports were increased, the fulfillment of qualitative indicators was substantially improved, and so forth. However, even though the foreign debt grew to almost $40 billion, national income did not reach the level of 1978 and inflation was not kept within the planned limits.

Confronted with this situation the PPR entered the second stage of reform, which envisages expanding autonomy, initiative, and entrepreneurship at all levels of management, increasing the responsibility of work collectives for the quality and quantity of production, for the acceleration of scientific-technical progress, and the modernization of economic management. At the same time it was no secret that problems could not be solved from one day to the next, or painlessly. Even after the statewide referendum had called for the continuation of radical albeit slower economic reform, Polish citizens knew that it would be a tough 2-3 years. Improving the situation on the market, halting inflation, and so on, means introducing order into wholesale and retail prices, eliminating subsidies, and frequently tightening one's belt for a while. It also means that the principle that only good work, only results, will be paid for and that wages are not social handouts must be asserted everywhere.

In the spirit of these principles some prices were raised in Poland on 1 February 1988. Let us recall that on average the prices of foodstuffs went up 40 percent, rents 50 percent, alcoholic beverages 46 percent, tobacco products 40 percent, and so forth. At the same time it was decided that, provided they achieved better results than last year, enterprises may increase wages to the extent corresponding to the rise in prices. Old age pensions, family allowances, and other social payments were increased.

Even though average prices went up 42 percent, average incomes increased 45 percent. Despite that, in some enterprises people demanded a one-time wage increase as they always did—regardless of the quantity and quality of work done. This would neither alleviate the strain on the market, nor halt the growth of inflation. Precisely

the contrary would occur. Thus the old way of thinking is one of the causes of the wild cat strikes, called without the knowledge of trade union organizations.

But there are also other causes. It is no coincidence that the names of the former leaders of the so-called Solidarity have again cropped up in connection with the strikes. We have already reported that the strike in the Gdansk shipyards was directed by L. Walesa with the assistance of Gwiazda, a no-less-renowned leader of the so-called Solidarity. The strike in the Nowa Huta plant in Krakow is connected with the name Gil, who is also a representative of that organization. Another one—Frasyniuk—can be mentioned in connection with the attempts to call a strike in the Wroclaw enterprises Pafawag and Dolmel. All these are people who have wormed their way into enterprises, who do not collect wages in Polish zlotys from Polish employers, but in foreign currency. Receiving foreign pay, they not only fan and organize strikes, but are also trying to give them political content.

The recent events should give food for thought to Polish citizens. What can the strikes bring? The answer is obvious: a reduced standard of living, more inflated currency in circulation, shelves with the aforementioned bottles of vinegar, but—in particular—the postponement of economic reform, the realization of which is the first prerequisite for the dynamic development of socialist Poland.

Strougal Pays Official Visit to Brazil

AU1105141988 Prague RUDE PRAVO in Czech 10 May p 1

[CTK report: "L. Strougal Departed for Brazil"]

[Text] Prague—CSSR Premier Lubomir Strougal departed for a 6-day official visit to Brazil on Monday [9 May]. The visit takes place at the invitation of Jose Sarney, president of the Federative Republic of Brazil.

Members of his entourage are Jan Sterba, CSSR minister of foreign trade; Jaromir Nehera, CSSR deputy minister of foreign affairs; and Vaclav Malosik, CSSR ambassador to Brazil.

Arrives 10 May

LD1105023988 Prague CTK in English 1859 GMT 10 May 88

[Text] Rio de Janeiro May 10 (CTK correspondent)—Czechoslovak Premier Lubomir Strougal started today his official visit to the Federative Republic of Brazil.

Lubomir Strougal, who is accompanied by Czechoslovak Foreign Trade Minister Jan Sterba and Deputy Foreign Minister Jaromir Nehera, was welcomed at Galeao International Airport near here by Governor of the Rio de Janeiro State Wellington Moreira Franco.

During his six-day visit taking place at the invitation of Brazilian President Jose Sarney, the Czechoslovak premier will hold talks with top Brazilian officials, representatives of several federative states, and representatives of the state and private sectors of the industry and commerce.

After a sight-seeing tour of Rio de Janeiro, Brazil's second biggest city with a population of 10 million, Lubomir Strougal will meet this evening with Wellington Moreira Franco and representatives of the leading state companies many of which maintain trade contacts with Czechoslovakia. Present will be among others representatives of the mining concern CVRD [Rio Doce Valley Company], Brazil's chief producer and exporter of iron ore, and the state power industry company Electrobraz.

Meets Rio Governor

LD1105093988 Prague CTK in English 0640 GMT 11 May 88

[Text] Rio de Janeiro May 11 (CTK correspondent)—A protocol on goals of trade and technological cooperation between the Governments of Czechoslovakia and the Brazilian State of Rio de Janeiro was signed here last night.

The document, signed within the current official visit to Brazil by Czechoslovak capital construction projects and supplies for the state of Rio de Janeiro. Under the protocol, the Czechoslovak enterprises CKD and Pragoinvest are to prepare a contract in cooperation with the Ministry of Transport of Rio de Janeiro for the construction of tramlines in Rio de Janeiro and supplies of Czechoslovak trams.

Under the protocol the Brazilian side is also to submit all data and conditions concerning a large project for the construction of an irrigation system in the state of Rio de Janeiro in which Czechoslovakia is to participate.

Later in the day the Czechoslovak premier met with Governor of Rio de Janeiro Wellington Moreira Franco to discuss direct contacts between enterprises in Czechoslovakia and Rio de Janeiro. The Czechoslovak representative stressed on this occasion his country's interest in higher forms of cooperation with state enterprises of this Brazilian state.

The governor highly appreciated the efficiency and reliability of Czechoslovak enterprises and expressed his personal interest in the development of the tradition of cooperation.

Attends Rio Dinner

LD1105094388 Prague CTK in English 0645 GMT 11 May 88

[Text] Rio de Janeiro May 11 (CTK correspondent)—Governor of the Brazilian State of Rio de Janeiro Wellington Moreira Franco gave a dinner here last night in honour of Czechoslovak Premier Lubomir Strougal, currently on an official visit to Brazil.

The Czechoslovak premier stressed in his toast his country's interest in the further development of trade and cultural cooperation with Brazil. He recalled that Brazil was the first Latin American country to have recognized the Czechoslovak state 70 years ago.

"We are in a city and state which know well the products of our workers and the efficiency of our industry and from which a large part of Brazilian exports goes to Czechoslovakia. We wish to expand cooperation with your businessmen and industrialists...especially in petrochemistry, power industry, transport and electronics. We think not only in the categories sell and buy but also cooperate and co-produce. We know that the old ways can no longer be used and that both our economies need and in fact introduce modern forms of cooperation", he said.

"I will hold talks tomorrow with Brazilian President Jose Sarney.... I am sure we shall agree that traditional friendship between our countries is an impetus for the further development of our allround cooperation without any restructions", he added.

Talks With Sarney Begin

LD1105224788 Prague CTK in English 2000 GMT 11 May 88

[Text] Brasilia May 11 (CTK)—Czechoslovak Premier Lubomir Strougal and President Jose Sarney of Brazil opened talks here today.

Lubomir Strougal, paying an official visit to Brazil since Tuesday at President Sarney's invitation, came to Brasilia from Rio de Janeiro earlier in the day.

During his stay, Czechoslovakia and Brazil are to sign a new long-term agreement on trade and technical cooperation. The two countries' governments concluded a trade agreement in July 1977.

Also today, Lubomir Strougal acquainted himself with Brasilia, Brazil's capital since 1960.

Talks Described

LD1205094188 Prague CTK in English 0805 GMT 12 May 88

[Text] Brasilia May 12 (CTK correspondent)—Czechoslovak Premier Lubomir Strougal and Brazilian President Jose Sarney appreciated here Wednesday the rich tradition of seventy years of political, trade and economic relations between their countries.

On this occasion they recalled also the existence of close cultural ties between Czechoslovakia and Brazil and mentioned for instance famous Brazilian writer Jorge Amado who used to live in Czechoslovakia and whose works have been translated into Czech.

The Czechoslovak premier stressed during the talks that his visit to Brazil is an expression of the conviction that relations between Czechoslovakia and Brazil have good prospects. He said that in the political sphere these relations should be put on a higher level and that a new chapter should be opened in trade and industrial cooperation.

He further said that despite good results, Czechoslovak-Brazilian relations should be looked upon from the viewpoint of possibilities and future needs of the two countries' economies. A government agreement to be signed today is to give an impulse to industrial cooperation and joint ventures. The document is also to reflect the fact that Czechoslovakia wants not only to increase its trade with Brazil but also to change the structure of mutual trade and import from Brazil not only raw materials but also industrial products.

Brazilian President Jose Sarney said that Czechoslovakia's industry has a good reputation in his country and said Czechoslovakia is a significant partner for Brazil.

The goal set by the prepared agreement i.e. to reach a 1,000 million-dollar trade turnover by 2000 is regarded in Brazil as realistic.

The Czechoslovak premier informed the Brazilian president of his country's stands on international topics. He said Czechoslovakia welcomed the Soviet-U.S. INF treaty and has been developing its own initiatives in the field of concluding treaties also on strategic, other nuclear, chemical and conventional weapons. Lubomir Strougal also appreciated Brazil's support for the Contadora Group striving for a peaceful settlement of the situation in Central America.

Lubomir Strougal recalled ecological problems in Europe but said Czechoslovakia is well aware of serious conflicts and problems of the developing countries and considers them a serious global problem.

President Jose Sarney informed his host of Brazil's initiatives in Latin America and said one of the priorities is his government's plan for the first economic integration on the continent which should associate the economies of Brazil, Argentina and Uruguay.

Lubomir Strougal handed over to Jose Sarney an invitation from President Gustav Husak to visit Czechoslovakia. The invitation was accepted.

Strougal, Sarney Speak at Dinner

LD1205133488 Prague CTK in English 1132 GMT 12 May 88

[Text] Brasilia May 12 (CTK correspondent)—Brazilian President Jose Sarney gave a dinner here last night for visiting Czechoslovak Premier Lubomir Strougal.

President Sarney said in his address that contacts between the government bodies and enterprises in Brazil and Czechoslovakia have been expanding in the past few years. New areas where cooperation can be developed are being discovered and will find a concrete shape in an agreement on economic cooperation due to be signed during Lubomir Strougal's visit.

Jose Sarney said that Brazilian-Czechoslovak relations were based on mutual respect, and on the observance of the principles of international coexistence in tune with the U.N. Charter, and added that the Brazilian Government is resolved to take all necessary measures to promote bilateral cooperation.

Czechoslovak Premier Lubomir Strougal said at the dinner that no unsolved problems existed in Czechoslovak-Brazilian relations and nothing stood in the way of carrying on traditional cooperation.

He said the time has come to change traditional trade, to focus on progressive forms of cooperation, especially industrial cooperation, and also on joint ventures.

In a part of his address dealing with foreign policy, Premier Strougal pointed out the socialist countries' efforts to make new thinking prevail in international relations, to exclude war from mankind's life and make peace an irreversible ethical principle of policy.

Lubomir Strougal recalled several initiatives concerning nuclear and chemical weapons and the recent proposal to create a zone of confidence and cooperation along the line dividing the Warsaw Treaty and NATO countries, which was well received by Brazilian representatives.

He said the two sides have identical or close opinions on the majority of world topics, and the Czechoslovak side was pleased that Brazil is a resolute supporter of peace and coexistence. He appreciated Brazil's steps aimed at establishing a zone of peace in the southern Atlantic and its constructive attitudes to the conflict in Central America, to nuclear disarmament and to preventing the militarization of space.

Cooperation Agreement Signed

LD1205210388 Prague Domestic Service in Czech 1630 GMT 12 May 88

[Excerpts] Czechoslovak Premier Lubomir Strougal is continuing his official visit to Brazil. Our special correspondent Bohumil Horak has phoned in this report:

This morning's part of the program of Czechoslovak Premier Lubomir Strougal's visit was given over to a visit to the Brazilian congress where Lubomir Strougal was received by Lysaes Guimaraes, president of the Senate, and Humberto Lucena, president of the Chamber of Deputies. Both officials cordially welcomed Lubomir Strougal to the highest legislative body of the Federative Republic of Brazil, and stressed that contacts between Czechoslovakia and Brazil have a long tradition—diplomatic relations between the two countries were established, after all, as long as 70 years ago. Ulysses Guimaraes and Humberto Lucena briefed the Czechoslovak premier on progress on drawing up a new Brazilian Constitution, and noted the importance of the coming Czechoslovak exhibition in Sao Paulo, which will be inaugurated today with the personal participation of Lubomir Strougal. The Czechoslovak premier expressed our Republic's determination to continue the traditionally good contacts with Brazil, and voiced the conviction that there is no obstacle to the development of new and higher forms of economic cooperation. [passage omitted]

A long-term economic cooperation agreement between Czechoslovakia and Brazil was also signed today. The document, which was signed in the presence of Lubomir Strougal and President Sarney by, on the Czechoslovak side, Foreign Trade Minister Jan Sterba and, on the Brazilian side, Foreign Minister Abreu Sodre, provides for the promotion of new forms of cooperation, in particular joint ventures and cooperation in the production of machinery and equipment, and a joint approach on third markets. The document binds the contracting parties to strive to attain a volume of trade exchange by the year 2000 amounting to $1 billion, which is about 10 times last year's turnover. Jose Sarney and Lubomir Strougal made speeches on this occasion.

At the end of his stay in Brasilia, the capital, Lubomir Strougal held a press conference at which he highly commended the talks with President Sarney, and expressed satisfaction at the prospects for Czechoslovak-Brazilian economic cooperation.

At 1900 Central European Time Lubomir Strougal will leave Brasilia by air for Sao Paulo, where he will personally attend the inauguration of the Tchecoslovexpo 88 exhibition.

Further Reportage on Vacivik's Austria Visit

Received by Mock

LD1005231988 Prague CTK in English 2020 GMT 10 May 88

[Text] Vienna May 10 (CTK correspondent)—Visiting Czechoslovak Defence Minister Army General Milan Vaclavik was received here today by Austrian Vice-Chancellor and Foreign Minister Alois Mock.

They appreciated the concrete results of the development of bilateral relations achieved since Alois Mock's visit to Czechoslovakia in 1987. They underlined the significance of the process of European security and cooperation discussed at the current follow-up meeting of the Conference on Security and Cooperation in Europe in Vienna.

Ends Visit 11 May

LD1105201388 Prague CTK in English 1552 GMT 11 May 88

[Text] Vienna May 11 (CTK correspondent)—Czechoslovak Defence Minister Army General Milan Vaclavik ended his official three-day visit to Austria today.

He discussed the development of relations between the two countries with Chancellor Franz Vranitzky, Vice-Chancellor and Foreign Minister Alois Mock and his Austrian counterpart Robert Lichal.

Milan Vaclavik invited Robert Lichal to visit Czechoslovakia. The invitation was accepted with thanks.

Today, on the last day of his visit to Austria, Defence Minister Milan Vaclavik laid a wreath at the grave of the unknown warrior here and was acquainted with the drill practice at the Barracks of Maria Theresa.

Government Session Discusses CEMA Preparations

LD1205215688 Prague Domestic Service in Czech 1500 GMT 12 May 88

[Text] A session of the federal government today discussed preparations for the 127th session of the CEMA Executive Committee which takes place next week in Moscow. It also approved the principles of the permanent Czechoslovak representative's conduct when discussing the proposals included in the draft agenda for the 43d session of the CEMA and matters connected with the reorganization of its structure.

The government discussed a report by the minister of foreign trade on the results of trade and political talks which led to the signing of a protocol on the exchange of goods and payments with socialist countries for the year 1988. These documents, which have been agreed upon, create the conditions for increasing the overall turnover of mutual goods exchange by almost 3 percent. During the course of this year, it will be necessary to pay exceptional attention to the development of payments and, in particular, to balancing exports and imports.

The federal government went on to approve the principles of the conduct of Czechoslovak bodies and representatives at international negotiations on matters of improving price-setting in mutual trade among the CEMA member states in the period 1991-95. It stressed that at the current stage, there is an objectively necessary requirement to bring contract prices closer into line with world prices as a precondition for ensuring that contract prices gradually become the economic criterion for decisionmaking about the directions of international cooperation and the basic parameter for ascertaining the effectiveness of participation in international cooperation.

The government also endorsed the concept for Czechoslovakia's participation in the International Atomic Energy Agency [IAEA] for the period 1988-92. Experience has confirmed that the principles of the existing concept and objectives in relation to the main policy spheres were chosen correctly. In light of their long-term nature, these principles have also been worked into the concept for the period 1988-92. They consist, in particular, of effective propagation of the advantages of socialism, promoting the peaceful use of nuclear energy in Czechoslovakia and the other socialist states, and acquiring technical and economic data for the further development of the Czechoslovak nuclear program. The existing results of Czechoslovakia's involvement in the relevant areas of the IAEA's activity are judged to be very positive, and this has been reflected in the past in the considerable numbers of Czechoslovak officials represented in the IAEA's highest levels and operating bodies. Consequently, the new proposed concept also provides for the further expansion of participation by Czechoslovak officials in those bodies.

The federal government also approved a draft governemnt statute of amendments and addendums to the federal government statute on payments in the management of water resources. The objective of this change in legislation is to use financial measures to rationalize the management of water resources and to reduce the degree of water pollution. The government statute will take effect from 1 January 1989. At its session today the federal government also discussed other matters of international relations, and a report on international economic cooperation.

Husak Gives Interview to Indian Newspaper

LD1205152288 Prague CTK in English 1241 GMT 12 May 88

[Text] New Delhi, May 12 (CTK)—Czechoslovak President Gustav Husak spoke of international topics and Czechoslovak-Indian relations in an interview he has given to the Indian daily PATRIOT.

Speaking about India's role in the present world, Gustav Husak said that "India has played and continues to play a pronouncedly active and positive role in the nonaligned countries' movement. It enjoys an important international position and authority, it is traditionally developing a peaceful foreign policy and acting constructively in the international arena. In the Nonaligned Countries' Movement it strikes with initiative for the strengthening of the movement's unity and development of its progressive and peace policy".

President Husak highly appreciated the new Delhi Declaration as "a document of extraordinary importance for inter-state relations in the present nuclear age."

"The declaration is a graphic expression of new political thinking in international relations...and a concrete contribution to the strengthening of international peace and security, to the solution of world problems by political means", he said.

Speaking about Czechoslovak-Indian relations President Husak said these relations "have reached a high level and continue to grow in scope and strength. The dynamic development of friendly relations between our two countries in all fields rests on the solid foundations of long-standing traditions of friendship, many years of cooperation and mutual sympathy, on the respect of the Czechoslovak people for the rich cultural past and present of India.... It is therefore only logical that we strive for and have a permanent interest in further expanding political as well as economic cooperation with India".

"In the field of political contacts we attach particular importance to personal contacts on high level", the Czechoslovak president said and added that "in the economic spheres we are interested in utilizing more actively new modern forms of cooperation".

Referring to the process of restructuring the economic and political system in Czechoslovakia, Gustav Husak said that on the basis of a deep and all-round analysis of the state and problems facing society, in particular the needs of its further development "we have arrived at the conclusion that a society-wide restructuring and a further deepening of socialist democracy are inevitable. That is also a precondition for making our socialist society more dynamic and raising it to a qualitatively higher level."

"In the forefront of our attention currently is the purposeful restructuring of the existing economic mechanism.... By making better use of the advantages of the socialist mode of production, we strive to meet more fully the needs of our people, to secure both materially and spiritually a richer life for everybody", he said.

"In the course of the last two years principles have been drawn for a comprehensive restructuring of the economic mechanism..., fully based on our internal conditions and needs and, at the same time, also on the experience of other socialist countries, particularly that of the Soviet Union", the Czechoslovak president said.

He stressed that "the restructuring of the economic mechanism and of other spheres of the society, deepening of socialist democracy, developing the participation of people in the direction and management and expansion of public information and control represent instruments for not only significantly raising the economic efficiency of our society but also for a fuller utilization of the human potential of the socialist system. [no closing quotation marks as received]

Prague Spring Group Discarded by 'Paymasters'

AU1105104388 Bratislava PRAVDA in Slovak 6 May 88 p 7

[Miroslav Courton article: "Seminar of 'Hot Potatoes'; Vain Efforts of the Politically Shipwrecked"]

[Text] The Italian newspapers L'UNITA and LA REPUBBLICA have reported that a group of politically shipwrecked people from among the ranks of Czechoslovak emigres known in the West as the "protagonists of the 'Prague Spring' (in other words, people who in 1968 turned the wheel of Czechoslovak development to the right) had gathered in Cortone, Tuscany.

Their status did not prevent them from attempting to achieve a rehabilitation in Crotone by trying to draw an analogy between the year 1968 in Czechoslovakia and the present restructuring process in the Soviet Union and other socialist countries. In the end the fact that these endeavors were in vain was confirmed by LA REPUBBLICA itself, which stated with disappointment that the Crotone "seminar" had "not provided sufficient comparison between Prague Spring and Soviet restructuring."

And no wonder—after all, there is nothing to compare; for black cannot be turned into white, not even by the very best verbal cosmetics, the greatest demagogy, or the most blatant lie. These politically shipwrecked people have nothing in common with the present. History has already passed judgment on them, society has drawn its conclusions and learned its lesson, and they themselves have disappeared through the trapdoor of history. It must also be said that their former paymasters, too, have formed their own opinion of these bankrupt figures. This, apart from other things, was acknowledged by one of the emigres when he complained in Crotone that "after a certain lapse of time" they "had become a 'hot potato'" in the hands of the very people who used to applaud them in years gone by—simply, they have been thrown overboard.

Belgian CP Chief on Jakes Initiative

AU1105148888 Prague RUDE PRAVO in Czech 10 May p 7

[CTK report: "Chairman of the Belgian Communist Party on the Czechoslovak Initiative"]

[Text] Brussels—The merits of the proposal to create a zone of confidence, cooperation, and good-neighborly relations along the line dividing the Warsaw Pact and NATO states, recently advanced by Milos Jakes, general secretary of the CPCZ Central Committee, are indisputable, Louis van Geyt, chairman of the Belgian Communist Party, told the CTK correspondent.

He stressed that the new Czechoslovak initiative ranks among the major peace proposals that have been submitted by the highest representatives of Warsaw Pact member states. They all have a common aim, stemming from the desire of all European nations to embark on the road of easing tension and accomplishing gradual disarmament in Europe.

Louis van Geyt also emphasized the proposal, coauthored by the CPCZ, the SPD, and the SED, to create a zone free of chemical weapons in central Europe, as the elimination of chemical and nuclear weapons from central Europe is of immediate concern to Belgium, too.

A special attribute of the initiative submitted by Milos Jakes is its wide scope. Its implementation would help to improve atmosphere from the north to the south of the European continent, the Belgian Communist Party chairman said.

PRC Health Minister Arrives 11 May

LD1105224988 Prague CTK in English
2003 GMT 11 May 88

[Text] Prague May 11 (CTK)—A delegation of the Chinese Health Ministry, led by Minister Chen Minzhang, arrived here today for a six-day official visit. It was received by Czech Minister of Health and Social Affairs Jaroslav Prokopec.

In the course of the visit, an agreement on cooperation in health care and medical science between the two countries will be signed. The Chinese guests will be acquainted with the system of health care in Czechoslovakia and its restructuring.

Chinese Minister of Health Chen Minzhang said at a press conference here today that future cooperation will be aimed at research and treatment of the most spread diseases, i.e. cardiovascuar disorders and cancer.

After China lowered its former child mortality (to 37 per mille and 10 per mille in cities) its health care must focus on diseases afflicting higher age groups, Chen Minzhang said. He stressed the significance attached in China to traditional medicine. "If Sino-Czechoslovak cooperation is to develop also in the sphere of traditional medicaments Czechoslovak physicians should be acquainted with Chinese traditional medicine", he added.

Czech Minister of Health and Social Affairs Jaroslav Prokopec mentioned the possibilities of cooperation in the pharmaceutical industry. "We intend to offer Chinese partners possibilities in training in research and production and study stays in Czechoslovak health institutions. Czechoslovakia has a great interest in cooperation with China", he said.

In Prague, the Chinese guests will visit the institute of clinical and experimental medicine, the State Institute for Control of Medicaments and the Institute of Hygiene and Epidemiology. For two days they will go to Slovakia.

Health Care Agreement Signed

LD1305125688 Prague CTK in English
1148 GMT 13 May 88

[Text] Prague May 13 (CTK)—Czechoslovakia and China signed here today a government agreement on cooperation in health care and medicine.

The document provides for the exchange of experiences, especially in the treatment and prevention of diseases, in combating epidemic diseases and suppressing contagious diseases, including AIDS and in the organization and management of the health service system. Czechoslovakia and China will also cooperate in postgraduate education of doctors and nurses.

The agreement was signed by Czech Minister of Health Jaroslav Prokopec and Chinese Minister of Health Chen Minzhang.

The Chinese minister of health was received today by Czechoslovak Deputy Premier Matej Lucan who informed the Chinese guest of the system and present level of health care in Czechoslovakia.

The two representatives stressed the identity of their countries' interests in medical care and cooperation in this field.

Leaders Receive New PRC Ambassador

Chnoupek Meeting

LD1005233388 Prague Domestic Service in Czech
1930 GMT 10 May 88

[Text] Foreign Minister Bohuslav Chnoupek received today at Cernin Palace in Prague Wang Xingda new PRC ambassador extraordinary and plenipotentiary to Czechoslovakia. They evaluated the development of relations between Czechoslovakia and China and discussed their further development.

Jakes Meeting

LD1205203688 Prague Domestic Service in Slovak
1500 GMT 12 May 88

[Text] Milos Jakes, general secretary of the CPCZ Central Committee, received today Wang Xingda the new PRC ambassador to Czechoslovakia. In a friendly talk they discussed some topical issues of Czechoslovak-PRC cooperation, and Comrade Jakes wished him great success in his work in developing mutual relations between the two friendly countries.

CPSL Central Committee Presidium Meets 10 May

LD1005233188 Bratislava Domestic Service in Slovak 1630 GMT 10 May 88

[Text] Today's CPSL Central Committee Presidium session in Bratislava discussed the report on the results of the implementation of the resolution from the third CPCZ Central Committee session and from the CPSL Central Committee session about the development of the party's membership base in Slovakia and the analysis of the appeals regarding the issues of membership discussed last year by the CPSL Central Control and Audit Commission.

The Presidium session noted that after the third CPCZ Central Committee session and the 1986 sessions of the CPSL Central Committee, the bodies and organizations of the party paid more attention to the improvement of the quality of the membership base. The resolutions of the ninth CPCZ Central Committee session and of the April session of the CPSL Central Committee are a great contribution for this work as they emphasize the high demands on the party's political work. In practice this is manifested by higher demands made on the work of Communists in setting and assessing the implementation of specific tasks in all spheres of party life, and by a more responsible selection of candidates for party membership, particularly from the ranks of workers and people working in the scientific-research base, service industries, and health care.

The CPSL Central Committee Presidium went on to note that party organizations and bodies are more strict about the adherence to party and state discipline in accord with the CPCZ statutes. The Presidium emphasized that the vanguard position of the party in the stage of restructuring, the reinforcement of its unity, ability to act, and activity of its organizations and bodies, depends on the quality of the work and political activity of each Communist.

The CPSL Central Committee Presidium discussed information on the results of the work of scientific workplaces of the Slovak Academy of Sciences. Analysis revealed the intensification of concentration of scientific resources and of priority directions of research. The links of science with social practice are becoming more profound, and the implementation base for a more effective application of the results of primary research is expanding.

The Presidium acknowledged information provided about work on the analysis of the Czechoslovak education system, which is directed at the further improvement of the content and activity of all types and grades of schools, the improvement of the standard of preparation and education of cadres, and more effective utilization of the scientific-research potential of institutes of higher learning in the process of restructuring and democratization of our society.

The CPSL Central Committee Presidium also discussed further issues from the sphere of organization activity and cadre work of the party.

Honecker Receives USSR Defense Minister Yazov

LD1205105288 East Berlin ADN International Service in German 0926 GMT 12 May 88

[Text] Berlin, 12 May (ADN)—Erich Honecker, general secretary of the SED Central Committee and chairman of the GDR Council of State and the National Defense Council, received today the USSR military delegation staying in the GDR under the leadership of Army General Dmitriy Yazov, candidate member of the CPSU Central Committee Politburo and USSR defense minister.

During the friendly meeting in the Central Committee building Army General Yazov conveyed fraternal greetings from Mikhail Gorbachev, general secretary of the CPSU Central Committee, which Erich Honecker reciprocated equally warmly.

In recognition and appreciation of the outstanding services in the consolidation of friendship and cooperation between the people and the armed forces of the USSR and the GDR, Erich Honecker awarded Minister Yazov the Scharnhorst Medal.

During the visit Erich Honecker praised the great achievements of the peoples of the Soviet Union in the creative realization of the decisions of the 27th CPSU Congress. The USSR's consistent peace strategy has contributed decisively to the fact that today the possibility of a change for the better is beginning to emerge in international developments. The people of the GDR will also support in the future the USSR's far-reaching peace initiatives. Now, after the agreement on the elimination of land-based Soviet and U.S. missiles of shorter-and intermediate-range, it is a matter of proceeding further in disarmament from zero solution to zero solution, he stressed.

The general secretary stressed that the GDR will continue in the future to help strengthen socialism and safeguard peace by implementing the decisions of the 11th SED Congress. He briefed his guests on the great achievements of the workers and soldiers of the people in further shaping the GDR's advanced socialist society and in protecting socialist achievements. He gave his assurance in this respect that the GDR will continue in the future to do everything possible to maintain the defense capability at all times at the necessary level, alongside the Soviet Union and the other fraternal countries and their Armed Forces.

Army General Yazov stressed the GDR's contribution toward improving the international situation and creating a climate of detente and mutual trust in Europe. He welcomed Erich Honecker's initiative in calling the "International Conference for Nuclear-Free Zones" in Berlin in June 1988.

Later the Soviet defense minister reported on the initiatives and achievements of the members of the Soviet Army and Navy. In accordance with the consistent defense character of socialist military doctrine, it remains their priority task to prevent a war being waged either with nuclear or conventional weapons.

Finally, the two sides said it is a matter of urgent concern to give fresh impetus to the disarmament process to secure peace in the world on a lasting basis. They opposed the idea of the treaty on eliminating intermediate-range missiles being nullified by compensatory armament measures.

The USSR defense minister, Army General Yazov, invited a GDR military delegation under the leadership of Army General Heinz Kessler for an official visit to the Soviet Union. The invitation was accepted with thanks.

Taking part in the talks, which were conducted in a warm and open-minded atmosphere, were members of the SED Central Committee Politburo, Army General Heinz Kessler, national defense minister; and Egon Krenz, secretary of the SED Central Committee. Also attending were Deputy Defense Minister Colonel General Horst Bruenner, chief of the National People's Army Political Main Administration; and Vyacheslav Kochemasov, USSR ambassador extraordinary and plenipotentiary to the GDR.

Attends Dinner With Yazov

LD1205201788 East Berlin ADN International Service in German 1635 GMT 12 May 88

[Text] Berlin 12 May, (ADN)—A dinner was given at the Soviet Embassy in Berlin today to mark the visit to the GDR by a Soviet military delegation, led by Army General Dmitriy Yazov, candidate member of the CPSU Central Committee Politburo and Soviet defense minister. It was attended by Erich Honecker, general secretary of the SED Central Committee and chairman of the GDR State Council.

Other members of GDR party and state leadership were also invited by Vyacheslav Kochemasov, Soviet ambassador to the GDR. Also present were members of the Soviet military delegation which is in the GDR at the invitation of the GDR party and state leadership, and other dignitaries.

More on Embassy Dinner

LD1205224988 East Berlin ADN International Service in German 1736 GMT 12 May 88

[Text] [No dateline as received] At the start of the meeting, Ambassador Kochemasov praised the importance of the visit by the military delegation to the GDR for the further strengthening of friendship between the two states. The talk with Erich Honecker had left a deep impression on the participants.

The guests at the gathering were, together with Erich Honecker, the members of the SED Central Committee Politburo Army General Heinz Kessler, minister of

national defense; Egon Krenz, secretary of the SED Central Committee; and Erich Mielke, minister of state security. Also attending were SED Central Committee members Wolfgang Herger, departmental head in the Central Committee; State Secretary Herbert Krolikowski, first deputy minister of foreign affairs; and staff members of the Ministry of National Defense.

Also present were Army General Boris Snetkov, commander in chief of the Group of Soviet Forces in Germany; Lieutenant General Nikolay Moiseyev, member of the Military Council and chief of the Political Directorate of the Group; and Colonel General Vladimir Meretskov, representative of the commander in chief of the Joint Forces of the Warsaw Pact States in the National People's Army.

Honecker Speech

LD1205205188 East Berlin ADN International Service in German 1651 GMT 12 May 88

[Speech by Erich Honecker, general secretary of the SED Central Committee and chairman of the State Council, at 12 May dinner in the USSR's Berlin embassy]

[Text] We regard the official visit to the GDR by such a representative military delegation from the USSR Armed Forces, led by Comrade Army General Dimitriy Timofeyevich Yazov, candidate member of the CPSU Central Committee Politburo and USSR minister of defense, as an important event. We undoubtedly all agree that these past few days again bear witness to the close and truly fraternal relations of friendship and cooperation between our parties, states, and peoples.

We again had an opportunity to exchange ideas and experiences on the development of the international situation and the further deepening of our friendship and cooperation. The many encounters in the troop divisions and units were filled with the spirit of unshakable brotherhood-in-arms between the glorious Soviet Army and the GDR National People's Army.

In our times, the efforts of all socialist countries are aimed at even more effectively applying Marxism-Leninism in a creative way on the basis of their actions and in line with national conditions. Every party regards it as its task to seek, with full accountability towards its people, such solutions for the sociopolitical tasks of the respective country which best reflect the concrete conditions and requirements, and thus continue to strengthen in the most effective way the international positions of socialism.

The 11th SED Congress adopted fundamental decisions on the further shaping of an advanced socialist society in the GDR, which we are currently implementing. They are based on an awareness, formed over decades, that this is a historical process of far-reaching political, economic, social, and spiritual-intellectual transformations. The course of the main task in the unity of economic and social policy has the full support of our people. In pursuing this course we are taking into account the fact that the attraction of socialism is to a large degree determined by the extent to which its advantages and driving forces can be linked still more effectively with the achievements of the scientific-technical revolution.

In this, we are conscious of the great value of the all-around, continually deepening cooperation with the Soviet Union which is, at present, receiving many qualitatively new characteristics.

The citizens and soldiers of the GDR are following with great attention the achievements of the Soviet working people in their creative realization of the decisions of the 27th CPSU Congress for the acceleration of socioeconomic development and for further raising the standard of living of the Soviet people. We give our full approval to the efforts to make socialism even more attractive. We are convinced that the CPSU will succeed in tapping the huge potential inherent in the socialist social order.

Our country's people have a high regard for the USSR's bold initiatives for peace and disarmament. The active work of our friend and comrade Mikhail Sergeyevich Gorbachev, general secretary of the CPSU Central Committee, for these noble aims meets with great support.

As is known, there is full agreement between the GDR and the Soviet Union on the basic questions of preserving peace on earth and in space. We are in favor, in line with the principle of equality and equal security, of continually agreeing on and implementing further disarmament steps, and not allowing any let up. In this sense we are looking forward to the forthcoming Soviet-U.S. summit with anticipation.

Like the other states in our alliance, the GDR supports the principle that, after the start made on disarmament, a 50-percent reduction in strategic offensive weapons under strict adherence to the ABM Treaty should be effected. We regard it as necessary that even greater attention should be paid to the reduction and elimination of tactical nuclear weapons and to early negotiations on conventional disarmament.

In order to promote the disarmament process which has been set in motion, our Republic is undertaking, as decided by the 11th Party Congress, many efforts which correspond with our concrete situation on the sensitive dividing line between the Warsaw Pact and NATO, as well as with our possibilities. We are doing everything in our power to make progress in the creation of nuclear- and chemical weapons-free zones in central Europe and are working through our policy for an atmosphere of trust and cooperation in international relations. The forthcoming Berlin international meeting for nuclear weapons-free zones, for which representatives from over 100 states and more than 750 guests have already

signalled their participation, will undoubtedly lead to new impulses in the struggle for the elimination of nuclear weapons, as the joint aim of all peace forces.

By contrast, dangerous endeavors exist on the part of the most aggressive circles of the United States and other NATO states to destroy the imminent disarmament steps through the so-called modernization of the remaining nuclear potential and through the creation of the most up-to-date conventional weapons systems, and to slow down and, if possible, reverse the disarmament process as a whole. At the same time the readiness for aggression and capability of the NATO Forces for offensive warfare specifically in Europe is to be raised in a qualitative way above all.

In view of NATO's continued striving for military superiority over the Soviet Union and its allies and the consequent dangers to peace, we will consistently maintain the defense strength of our alliance at the required level in line with the stipulations of our joint military doctine. The GDR and its Armed Forces, you can be certain, will also in future spare no effort in meeting all of its obligations in the Warsaw Pact at all times.

Yazov Speech

LD1205223788 East Berlin ADN International Service in German 1712 GMT 12 May 88

[Speech by USSR Minister of Defense Dmitriy Yazov at 12 May dinner in the USSR's Berlin embassy]

[Text] Berlin, 12 May (ADN)—Dmitriy Yazov said in his toast at the dinner at the USSR Embassy:

The visit by the Soviet military delegation is coming to an end. Our stay on the hospitable soil of the GDR was not long, but was useful and productive. We have received many moving impressions.

The meetings and talks with working people and Army members, the visits to places of great importance for the citizens of your Republic and for ourselves—all of this has left a deep impression on our hearts.

The warmth and hospitality which enveloped us wherever we stayed can only arouse equally good feelings in response. We witnessed deep friendship and genuine sympathy with our country, with the Soviet people, and with its Armed Forces everywhere. For my part, I would like to assure you, dear friends, and in your person all members of the National People's Army and working people of the Republic, that the Soviet people and its soldiers have the same sincere and deep feelings for you.

We are extremely grateful to you, dear Comrade Erich Honecker, for the invitation to visit your country and for the talk, in the course of which we were informed in great detail about life in the GDR, about the work carried out to fulfill the decisions of the 11th SED Congress, and about the people of your wonderful country.

Permit me, dear Comrade Erich Honecker, to again thank you personally and the leadership of the GDR very warmly for the high award, the Scharnhorst Order, with which I was honored today.

During our visit we held sincere talks with the GDR Army leadership. We exchanged views with Comrade Kessler on various issues concerning bilateral relations and on problems related to international life. I think that much of what was discussed during our exchange of views will be reflected in our joint future work. As true friends of yours, we are pleased about the GDR's successes in its socioeconomic development and the realization of the decisions of the 11th SED Congress. We wish you with all our heart a successful implementation of all the projects you have planned.

The Soviet people are currently working with great steadfastness to fulfill the decisions of the 27th CPSU Congress and are striving to prepare the 19th All-Union Party Conference in a worthy manner. Three years have elapsed since the April plenary meeting of our party's Central Committee, which laid the foundation for the course of speeding up socioeconomic development and the revolutionary transformation of Soviet society. The party, the Soviet people, and our Armed Forces are steadfastly struggling to fulfill the tasks of restructuring and for a far-reaching democratization of our society.

Our foreign policy is also closely linked with our domestic policy. Its main thrust is the struggle against the danger of a nuclear war, against the arms race, and for the preservation and strengthening of world peace. In that struggle the GDR and the other socialist countries are proceeding with us shoulder-to-shoulder. Positive changes can be seen in the international situation. The first real step in the direction of disarmament was taken with the treaty on the liquidation of medium-and shorter-range missiles. Possibilities are opening up for a further development in international cooperation for solution of various problems which confront the world today.

At the same time the situation in Europe and the world as a whole remains complex and contradictory. The stereotyped principles of the policy of strength persist in the thinking and actions of the reactionary circles of the West. The threat emanating from imperialism must not be underestimated. The situation demands that we seriously attend to the strengthening of the defense capability of the Warsaw Pact member states and undertake coordinated efforts to raise the combat readiness of the armies and fleets in the spirit of the defense doctrine of our states.

We hope that our visit, too, and the meeting and exchange of views will contribute to the further strengthening of our friendship, cooperation, and cohesion.

Allow me to thank the GDR state and party leadership; you, dear Comrade Erich Honecker; and the minister of national defense, Army General Heinz Kessler, with all my heart, for the cordiality and hospitality accorded to us here on GDR soil. We wish you, all the working people of the republic, and the members of the National People's Army fresh successes in socialist construction, and in strengthening the defense capability of your homeland.

May the unshakable fraternal community of our parties, peoples, and armies become even firmer for the good of socialism and peace.

Hungarian Planning Official Meets Schuerer
LD1205153188 Budapest MTI in English 1442 GMT 12 May 88

[Text] Berlin, 12 May (MTI)—Janos Hoos, president of the Hungarian National Planning Office, held talks with Gerhard Schuerer, alternate member of the SUPG [Socialist Unity Party of Germany—SED] CC Political Committee and president of the State Planning Committee of the GDR, in Berlin May 11-12. The parties agreed that the central planning organs would make efforts to explore further possibilities in expanding mutual deliveries and extending lasting production relations until the end of the current five-year plan period. The sides agreed upon steps required for the coordination of plans for the period 1991-1995.

Janos Hoos met Werner Krolikowski, member of the SUPG CC Political Committee and first deputy chairman of the Council of Ministers of the GDR.

Honecker Receives Tanzanian Prime Minister
LD1205143688 East Berlin ADN International Service in German 1222 GMT 12 May 88

[Text] Berlin, 12 May (ADN)—Erich Honecker, general secretary of the SED Central Committee and chairman of the GDR Council of State, received this afternoon for talks Joseph Sinde Warioba, prime minister and first vice president of the United Republic of Tanzania and member of the Revolutionary Party Central Committee, who is in Berlin on an official visit to the GDR. Willi Stoph, chairman of the GDR Council of Ministers and member of the SED Central Committee Politburo, and other personages from the two countries, took part in the meeting at the Council of State's official building.

CC Session Calls For Kadar's Resignation

AU1305111588 Vienna NEUE KRONEN-ZEITUNG in German 13 May 88 p 3

[Text] Budapest—Our neighboring country Hungary is in a ferment: At a stormy Central Committee session 10 days before the extraordinary MSZMP crisis conference, the "young guard" in the party recommended in an unprecedentedly clear way to the aging Janos Kadar that he take his hat and leave because he is an obstacle to new reforms. Premier Karoly Grosz, who has been in office for 7 months, demanded a total renewal at the head of the country and the renewal of those leading cadres whose abilities are weakening "for biological reasons."

Party chief Kadar himself has now stated his willingness to think about his resignation if the party wants a change in the party leadership: He, Kadar, would accept the release from the burden of politics "with relief." So far, however, Kadar has always implied that he does not consider one of his many potential successors capable of succeeding him.

Janos Kadar Interviewed for U.S. Television

LD1205225888 Budapest Television Service in Hungarian 1850 GMT 12 May 88

[No video available]

[Text] [Presenter] A U.S. television company recently asked for, and was given, an interview by Janos Kadar, general secretary of the Hungarian Socialist Workers' Party, who replied to the questions of John McLaughlin. It is international practice that the person making the interview is given precedence. For this reason, we waited for the U.S. television company to put the conversation on its program. This has happened. Our program, compiled from the most interesting and most important part of Janos Kadar's interview, follows.

[Begin recording] [McLaughlin, in English, with superimposed Hungarian throughout] Mr Kadar. I welcome you to our program. Restructuring and glasnost, which are now gaining ground in the Soviet Union, were begun by you. You were the pioneers. Many people think that Gorbachev is using Hungary as a model for the Soviet experiment of reform. In your opinion, is he doing this?

[Kadar] That is not how I would express it. We stepped onto a certain path, starting out from a situation of necessity, whose essence was that we must work in a different way. We changed many things of previous practice, but we always added that what were doing was not a model. You also know that now, a very significant process is under way in the Soviet Union, which is known to the world by the words restructuring and glasnost. In connection with this, Gorbachev, too, often emphasizes that what they are doing is not a model to be followed. This is how the two judgements stand, on both parts. However, we also profess, and General Secretary Gorbachev also emphasizes, that all the socialist countries are mutually interested in observing one another's experiences, to get acquainted with them, to understand them, and to use them sensibly in accordance with their own experience.

[McLaughlin] Do you think that General Secretary Gorbachev can learn from the Hungarian experiences? Are there lessons which he can use from your experiences?

[Kadar] I think that there is such experience. He himself emphasized this. When he first sat down to talk with me in his capacity as general secretary, I said that I would have to talk about a longer process in order for him to be better able to understand and follow our present policy. He said that I should outline it. I, in the meantime, wanted several times to break off, discontinue the outlining of our affairs. He then said that I should continue it, because these were not only Hungarian affairs; they were the problems of socialism. So that is how he relates to it.

[McLaughlin] If Gorbachev, to a certain extent, views Hungary as a model for the Soviet Union, then what does he think of the market socialism which has also developed here now? You have come a long way, but you have problems. Inflation is 15 percent. You have introduced personal income tax, a progressive income tax system which can go up as far as 60 percent. You have introduced a general turnover tax which can increase the price of products by up to 17 percent. I have enjoyed myself splendidly here, but some Hungarians said to me that here there is a Scandinavian tax system with a Third World wages system. In addition to that, subsidies of $1 billion have been taken away from the enterprises, and this has led to unemployment. Does this not also mean that you have dealt a blow to the essence of the socialist system, which guarantees every person the opportunity to work, from the cradle to the grave? You now have unemployment for the first time. In brief, if Hungary is the model of reform, is the model faulty, or is it a model which does not yet work in full? And what does the future hold?

[Kadar] Please, for a long time I, in a responsible position, have been able to follow, and have been part of, this process. The development, which, generally, has lasted 3 decades, has various stages—stages which can been distinguished from one another. The first stage was a certain stage of consolidation. This lasted for approximately 3 years. Then followed a period of quite energetic development; it lasted for some 14-15 years. After that, our development came to a standstill. There are several reasons for this standstill. One is the inadequate nature of work here at home. Another is certain international circumstances, which did not help us. I am thinking, here, of the rearrangement of the world market, the oil price explosion, etc, which for us, had a negative impact; the price of items imported by us plunged, the

price of purchased items went up, and on top of that, we even ran into marketing obstacles. We encountered various restrictions such as additional customs duties.

I, and not only because I have been part of it, consider the path of reform to be important, vital and successful—a reform which is functioning. I would prove this also by saying that our development came to a standstill some 7-8 years ago, so the development of production and the living standard slowed down thoroughly, but we were able to complete this period, and we remained on our feet because we are proceeding on the path of reform.

It is my conviction that the road ahead, in economic respects, is a continuation of the reforms. Naturally, there are certain difficulties here. We are not able to follow exactly the path in which there is a change of product structure, as in, let us say, developed capitalist countries. This is incompatible with the essence of our social system. We must find the socialist path to the path of unfolding; the purpose, the objective of this is to create the conditions for an effective economy.

[McLaughlin] However, the situation seems very serious. Your foreign debt is $18 billion, which is $1,500 annually for every resident, whose average monthly income is $120. Therefore, some Hungarians even take on three jobs. The death rate has risen; the birth rate has declined because people do not want children, as raising children is time-consuming and prevents them from working. Thus, the reform which may be said to be successful from one point of view, contains many serious faults. Do you think that this process may be turned around?

[Kadar] Truly we have serious and weighty tasks to solve, but the solution of these cannot be conceived in any other way—within our circumstances—than via the road we have been following. We must advance. We, to solve the issues, must face several rather difficult obstructions. One of these is that a kind of egalitarianism has developed; this is not a road we can follow. This means, in terms of enterprises, that in Hungary there are hard-working successful firms, but for a long time we have been syphoning off the surplus yields of these firms and giving it to those working poorly. This path cannot be followed. Nor is this egalitarianism viewed in terms of individuals. We must follow the road unconditionally, according to which everyone must have a share of the wealth in proportion to his output and work. We must carry this out. Naturally, it means that we must reallocate both the capital available for investment and the manpower to where progressive and efficient economic operations are being carried out.

[McLaughlin] Forty percent of the population lives at or below the poverty line. The suicide rate is higher in Hungary than anywhere in the world. Alcoholism is a very great problem. The number of heart attacks among men in the age group 38-50 is surprisingly large, stemming from their three jobs and the stress at their workplace. Some people in the West say that the market socialism which you have introduced, the one which could almost be a model for Gorbachev, does not work. It does not work in Yugoslavia; inflation there is at 200 percent. It does not work in Poland, and you too are having serious problems. What do you answer to those who say that the experiment is leading toward a slow failure?

[Kadar] It cannot be said in this way. I must say that there are many problems whose causes are different—naturally, what you listed—and, of course, it is also a matter of judgement. You say that 40 percent live on the poverty line; this, put this way, is exaggerated; it is not so. If you travel around, ask anyone anywhere, the average Hungarian lives tolerably. Our weaker side is production; we do not have a bad situation regarding consumption, our situation is bad regarding production. We have many achievements which we declared and promulgated, but we have been in a phase-delay in terms of establishing the material bases. And here, too, a change is needed. First, the material bases must be created, and only after is it necessary to further develop our achievements. We are excellent at distribution, but we are weaker in producing what can be distributed. The socialist system worldwide is now struggling to create the conditions for efficient production within the framework of socialism.

[McLaughlin] General Secretary Kadar. For the first time since 1957 the Hungarian Socialist Workers' Party is to hold a large-scale conference here in Budapest within a few weeks. The economy is struggling with difficulties. In the view of some, the only way to overcome the economic difficulties is to implement political reforms. I observe that the only proposal is the decentralization of power—pluralism. Instead of simply the Party being the sole and principal director of politics, it should be divided into three; to give it into the hands of the Party, the parliament, and the government. The head of the latter would presumably be Grosz, who is now the premier. In the United States we call this an executive apparatus. Would you approve of such, or a similar division of political power?

[Kadar] True, the road to economic reform demands changes in political issues too, although these issues appear independently of the economic questions. One must take as a point of departure, everywhere, the basis of the existing society—in Hungary there is one political party. However, in politics there are more factors. You named three; the party, the parliament, and the government. I would name a fourth. In Hungary a significant number of social organizations operate: trade unions, youth alliances, and several other organizations. We think that we must change and develop Party practice, too. If I want to express this briefly I would say that before everything, first of all, it must work as a political party, and it does not have to operate instead of others. It must be ensured that parliament is able to carry out its own work under its own responsibility; the government its own work under its own responsibility; and the

independent organizations of society to carry out their work under their own responsibility, and independently. All this should develop to suit the requirements of the age and situation. I consider this as a correct general direction.

These issues are on the agenda in Hungary, and I think that the kind of multiparty system which presently characterizes the most advanced capitalist countries cannot be built in Hungary. In Hungary, a kind of socialist pluralism is needed whose elaboration and evolvement is now taking place. It will not be completed within a week; it is a process, and it is this which preoccupies us now.

[McLaughlin] In what condition is the party in Hungary today? This is what I have observed: Forty thousand people have handed back their membership cards because they are dissatisfied with the pact of political reform. Eight to 10,000 marched on 15 March and demanded democratization and freedom. You were a member of the socialist youth movement, now called KISZ. Today, less than 10 percent of university students are KISZ members. When you were young the proportion stood at 95 percent. Therefore, what is the state of the Party in Hungary? Is it sick?

[Kadar] The leading role of the MSZMP prevails in the country. There are phenomena, and it is part of better mutual understanding to illuminate the real situation. You have mentioned here 6, or I do not know how many thousand, demonstrators in connection with 15 March. Millions celebrated 15 March in Hungary. Not a single word of this was mentioned by the Western press. They photographed and wrote about a crowd of a few thousand which came together for the occasion, as if nothing else had happened in Hungary.

It also happened recently that party members handed back their cards. This also happened. But 800,000 people cling to their party membership; they do not want to relinquish it. Providing one another with good information is also part of a realistic assessment of the situation.

[McLaughlin] Let me ask you: Do you think it is possible that another socialist party should also exist in Hungary?

[Kadar] I cannot see into the future. It would take a prophet to be able to say how socialist pluralism will develop in a later stage of development. In my view this question that socialist pluralism should develop in individual socialist countries is now on the agenda. As to what organizational shape this will take in a later stage I cannot say today. What we are dealing with at present is that the minority opinion should not disappear into thin air, even within the party; rather this opinion also should be made known to the decision-making organizations prior to the decision being made. And in the life of society the party endeavors to secure the broadest consultation on very important things before it reaches a decision. At present, millions are discussing and debating the draft standpoint of the party conference in Hungary, and we are gathering and evaluating these experiences. This is the road on which we want to advance. As to what form this will take later, no one can tell today.

[McLaughlin] So you are in effect saying that you have no objection in theory to the establishment of a second socialist party at a later stage?

[Kadar] I cannot give you an answer to how it will develop later. At present there is a one-party system in Hungary, and the further development of our existing institutions, the improvement of their work—this is the way to advance at this moment.

[McLaughlin] But again: Do you see it as completely necessary that a one-party system should exist in Hungary?

[Kadar] This cannot be set out this way theoretically, because there are socialist countries even today where there is more than one party. This has developed this way or differently as a function of the given country's development.

[McLaughlin] Let me be very frank with you. It is said that Janos Kadar, the reformer, is nowadays Janos Kadar, the conservative, and perhaps even a hindrance. Janos Kadar is worried about the pace and tempo of political change, and wants to slow it down. Is that true?

[Kadar] No, there is no question of any kind of slowing down. It is a question of having to show a clear path and having to tread that path. We cannot go in the direction of anarchy. In the direction of democratization—yes, and we want to go and shall go. We are treading, and will tread the path of reforms, but we are not going into anarchy.

[McLaughlin] What reforms do you say will be born at the May party conference?

[Kadar] I can only indicate, in the light of what has been said, what we will discuss there, and this party conference itself cannot provide in one sitting the final solution to all significant questions, but it will be able to mark out, and we hope it will, the road that leads to a solution.

[McLaughlin] Is it true that you have an understanding with other party leaders that you will say goodbye in 1990, but until then you will give guidance to political reforms? Is that true?

[Kadar] There is no agreement. There is no agreement with anyone. I once spoke to a U.S. ambassador—not the present one—who asked me who the successor was. I said there was no such designated successor, and that I shall not tell you anything, because if it appears that a

man cannot be removed from a post at that time, then people start attacking the nominated successor. This man had a good laugh at this: He said he had not thought of that.

[McLaughlin] My understanding of what you have said is that you do not intend to offer your resignation at the party conference in May this year.

[Kadar] From a personal point of view this does not present me with any problem whatsoever. I am only interested in the cause. If it is the evaluation—of my own and of those who dispose in this matter—that I would perform a better service by handing over the work, then I shall do so with a great sense of relief. But I am only interested in the cause, and not in the function.

[McLaughlin] General Secretary, in June, in the Soviet Union, there will be a conference which is very important for Mikhail Gorbachev, who is facing problems. One set of problems concerns the uprisings of the Armenians and other nationalities. Those who do not support glasnost and restructuring as much as Mr Gorbachev does, are saying that the cause of the uprisings is too much freedom all at once. In your opinion, how serious is the nationality problem in the Soviet Union?

[Kadar] The national minority problem is always a serious problem; it must always be given the appropriate attention. I think that during the period which is termed negative in the Soviet Union, this problem also was not dealt with with the care that it deserved. This is a complex, big country, a large society, and many independent nations and peoples live there. Now, as Gorbachev himself has stressed, great attention will be given to this question, and they will seek and find the solutions.

I regard realism as the most important aspect of this restructuring—that they are facing up to reality, and they perceive it as it is and not as they would like to see it. This is the primary condition for solving certain questions, including the questions relating to the national minorities, or for amending those matters which require it.

[McLaughlin] The big problem in the Soviet Union, and perhaps you too will agree with this, is the inertia of the bureaucracy. Gorbachev is attacking this. He has taken away 400,000 cars from the party elite in the Soviet Union. Inertia is a problem in your country as well. How would you solve this problem? Do you not think that Gorbachev will acquire enemies by the aggressiveness and relentlessness of his actions?

[Kadar] There are leading ideas in the Soviet restructuring. General Secretary Gorbachev himself mentions in the first place the need to think differently. This is known even in the sphere of international issues, because they came across it in the course of the Soviet-U.S. negotiations, that the same questions had to be viewed differently from the way they had been seen earlier on. Now, if there is a large society, a vast country, where it is required from a very significant part of the people that they should think differently, live differently, work differently, and so on, this is not an easy process, because the force of habit is tremendously strong. People were used to a certain method and tempo of work, and it is not simple to change this. This is a serious obstacle. That is why, when Gorbachev said that restructuring had to solve difficult, big questions but would itself raise new problems and difficulties, he was referring to the difficulties of rebuilding and change.

[McLaughlin] One of the examples of restructuring and glasnost is the rehabilitation of certain Soviet historical figures and the reevaluation of the activities of certain persons, the negative reevaluation of Stalin, and the positive reevaluation of Bukharin. Let me ask you this question: Do you see any possibility for the rehabilitation of Imre Nagy within the framework of restructuring, within the framework of your reform, as a Hungarian version of what the Soviets are doing?

[Kadar] These questions to which you have referred are being dealt with in the Soviet Union. Let me add that there is a need for a realistic historical evaluation concerning the question of the personalities who have played a role in history. Thus, the negative is negative, and the non-negative is not negative: this applies to every person; it is impossible to deal with all of these issues at once.

Imre Nagy cannot be rehabilitated today on certain issues. The evaluation of his subjective intentions is another matter; that is something that can always be discussed. But on certain matters he cannot be rehabilitated, because he gave up the power which existed in Hungary and made an attempt to terminate the system of alliance, without having legal authority to do so. He did so without convening the Council of Ministers, and without convening of the National Assembly. Yet, in order to terminate the international treaty this would have been necessary. It is impossible to rehabilitate him in this respect. His subjective intentions are another matter; this is a matter of historical research and evaluation.

I have said in important places that Imre Nagy was not a counterrevolutionary from the age of 14, and I did not consider him such in terms of his intentions. However, certain facts did take place which, independently of the subjective intention, happened and were done by him.

[McLaughlin] The Soviet Union has 64,000 soldiers in Hungary at present. Do you think that this is a good thing?

[Kadar] Let me tell you something about the Soviet forces in connection with 1956. Nineteen fifty-six was an extremely complex situation; not only here, from the point of view of domestic society where many things were coming together, but also internationally. I read last

autumn a statement by someone whom I do not wish to name, a person who is not just anyone in the United States, that he knew that in 1956 the idea of intervening militarily in Hungary had arisen, and the decision was not to do so, and that he considered this decision to have been a mistake. I am only mentioning this so that you could understand the sort of situation that existed here at that time.

This is something that I have already said in public, that it is my wish that Soviet and U.S. forces should never, nowhere, clash as enemies. But as a Hungarian, it was my least wish in 1956 that they should clash on Hungarian territory. That is why it was necessary to act quickly and ask for the help of the Soviet forces, in my opinion.

[McLaughlin] Would you like to see a schedule for the withdrawal of the Soviet forces?

[Kadar] In my opinion there are only international reasons for the Soviet forces being in Hungary. The question has been raised; the Warsaw Pact was officially proposed the withdrawal of all forces stationed abroad. Our view is also included in this proposal. There are no domestic reasons for the Soviet troops being stationed here; there are only international reasons.

[McLaughin] There is no domestic reason for it?

[Kadar] You know, in a certain more complex period I was even held back from certain tougher measures by the fact that there were Soviet forces here, because I do not like a child who is brave from behind his grandmother's apron.

[McLaughlin] Sixty-four thousand soldiers, half as many as there were in Afghanistan. One would think that Gorbachev, who wants to reduce military expenditure... [sentence as heard]

[Kadar] I do not understand the question, but Hungary is Hungary, and Afghanistan is Afghanistan. I welcome the decision regarding Afghanistan, because it was a brave decision on the part of the Soviet Union. The question of the Soviet forces stationed in Hungary is connected with the European conditions, the European conditions of strength. This is being examined and when some changes can be made...[sentence unfinished]. There is no domestic Hungarian reason for their being here.

[McLaughlin] Would you predict that in 10 years time there will be no Soviet troops here?

[Kadar] I am confident that conditions in Europe will develop so that there will be no need for that.

[McLaughlin] Let me ask you this with regards to your country's foreign relations. You have a neighbor, Romania. About 10,000 Transylvanians, Hungarians living in Transylvania, came across the border, and your country welcomed them publicly. Do you think that this is fair conduct with regards to your socialist comrades, to take in the refugees, thereby saying that the refugees were right to come?

[Kadar] Look, these are questions which both the Romanian and the Hungarian leadership inherited from the past. The causes lie not in the present Romanian or in the present Hungarian leadership. These are difficult issues; the existence of a large Hungarian minority in Romania. We treat the nationality issue one way, and the Romanian leadership treats it another way. In our view the question of the Hungarians living there ought to be handled better than is being handled at present. Consequently, all sorts of problems arise from this.

A certain number of people have come here and do not want to go back. In my opinion, the solution of the question is not the migration of the peoples, but the correct solution of the problems relating to the national minorities, even in Hungarian and Romanian relations. It is this that we would like to occur, and this is what we are endeavoring to achieve. We have been negotiating for many years, for the moment, with unsatisfactory results. Thus, we are not in favor of the migration of the peoples; it is not a solution that [words indistinct] leave a country and regard this as a solution.

[McLaughlin] When was the last time you held an official meeting with Ceausescu?

[Kadar] A long time ago, a long time ago, many years ago.

[McLaughlin] Last year you went to China, you went to Beijing. All the way over there. Ceausescu is here, on the other side of the border. You have foreign ties with him. Why has there not been a meeting between you and him? Do you feel he leaves something to be desired as a leader?

[Kadar] No, this is a matter for the Romanians, how to judge their own leader. Hungarian-Romanian relations contain many complex and unsolved questions, and for this reason such a high-level meeting is not appropriate at this moment because it may lead to misunderstandings.

[McLaughlin] There have been, and will have been soon, four summit meetings between the superpowers: Geneva, Reykjavik, Washington, and soon Moscow. What would you say about a fifth summit meeting between Gorbachev and Reagan here in Budapest, in December, to talk about the 50-50 ceiling on intercontinental ballistic missiles?

[Kadar] Well, we welcome the Washington agreement on the reduction of two classes of nuclear weapons, nuclear weapons in Europe. We also welcome the negotiating process taking place today in which they wish to discuss strategic nuclear weapons. I cannot judge precisely how

this stands or does not stand. We also welcome the fact of the Moscow meeting. I am familiar with what you raise here in your question. It became known, after a report in a Japanese newspaper a few days ago, that they might also meet here. I have not yet come across this question realistically, but if it is raised this way it would be an honor for us. We are ready to play the role of host.

[McLaughlin] General Secretary Janos Kadar. In your opinion, will Mikhail Gorbachev succeed, or does Khrushchev's fate await him?

[Kadar] He will succeed.

[McLaughlin] How long will it take?

[Kadar] Years, before serious results are shown.

[McLaughlin] One decade, 2 decades, or more?

[Kadar] Tough years are needed now.

[McLaughlin] Why are you so sure that General Secretary Gorbachev will succeed?

[Kadar] I am sure. This direction is demanded by life.

[McLaughlin] Do you feel this is something whose time has come?

[Kadar] That's right. The situation has matured.

[McLaughlin] So Gorbachev will succeed against his opponents. In other words, he will overcome his political opponents, the inertia of the bureaucracy, the hardliners within the Army. Will he overcome all these?

[Kadar] This direction will win. It will win, despite all the difficulties, for this represents progress for the Soviet Union and the Soviet people.

[McLaughlin] You have met Mr Gorbachev several times. You have known him for several years. How many years?

[Kadar] I know him.

[McLaughlin] For how many years?

[Kadar] Well, I could not say off-hand, but I got to know him when he was a territorial [teruleti] secretary, when he was still working in the provinces.

[McLaughlin] Do you think he is brilliant?

[Kadar] I regard him as someone who stands for his principles, who sees the situation realistically—a realist, a courageous thinker and a courageous man, who also has excellent qualities of making people understand what he is striving for.

[McLaughlin] A final question. I had the impression from talking to officials there that Gorbachev is using the New Economic Policy [NEP], the tenets of Lenin's New Economic Policy to justify his own economic reforms. Do you feel that is the case?

[Kadar] When some years back we began our own struggle, more than 30 years ago, we said we were reaching back to Leninist roots and were following the direction laid down by the 20th congress. This is what we said more than 30 years ago. This is 100 times more true in the Soviet Union. They are reaching back for the Leninist roots and are following the road indicated, marked out by the 20th congress, but unfortunately the process then came to a halt.

[McLaughlin] Thank you very much for being our guest in the program.

[Kadar] My pleasure. And I hope this interview serves to better understanding between our peoples, and enables them to know each other better. For this is important; it is needed by the peoples of our countries, and also mankind. Thank you.

[McLaughlin] Thank You.

[Kadar] And I wish the American people all the best. As to the Hungarian people, that they should live off their work, and enjoy the fruits of their labor in peace.

[McLaughlin] Thank you. [end recording]

[Presenter] We have been broadcasting an interview, entitled "We Are Treading the Path of Reforms," given by Janos Kadar to a U.S. television company.

Nemeth Congratulates Mitterrand on Re-Election

AU1305120288 Budapest MAGYAR HIRLAP in Hungarian 12 May 88 p 6

[Text] Karoly Nemeth, president of the Presidential Council of the Hungarian People's Republic, has sent a telegram of congratulations to President Francois Mitterrand on his re-election.

Varkonyi Leaves for Berlin Pact Meeting

LD1205165988 Budapest MTI in English 1455 GMT 12 May 88

[Text] Budapest, May 12 (MTI)—Hungarian Foreign Minister Peter Varkonyi left for Berlin on Thursday to attend the meeting of the foreign ministers of the Warsaw Treaty member states.

Spokesman Komoroczki Gives Press Conference

LD1205125188 Budapest Domestic Service in Hungarian 1000 GMT 12 May 88

[Text] The visit to Hungary a few days ago by Israeli Foreign Minister Peres was discussed at a press conference this morning by the Hungarian foreign affairs spokesman. Gabor Nemes reports:

[Nemes] During the visit to Budapest 8-9 May by Israeli Foreign Minister Shim'on Peres, the subject of establishing diplomatic relations was not discussed. Peres held talks with Premier Karoly Grosz, trade minister Jozsef Marjai, and Foreign Minister Peter Varkonyi, primarily about economic relations between the two countries, the work of the interest representation offices opened in March, and the Middle East situation.

Spokesman Istvan Komoroczki was replying at the Foreign Ministry press briefing to a question from a radio correspondent. He then continued:

[Begin Komoroczki recording] On the Hungarian side we reaffirmed that we envisage the settlement of the Middle East situation in the framework of an international peace conference to be organized under UN auspices where all the parties concerned, that is, the representatives of both the PLO and the State of Israel, are present.

With reference to a question at an earlier press conference, I would like to say that there was no mention this time either to the effect that this international peace conference could be held in Budapest.

As regards the development of Hungarian-Israeli relations, the question of economic cooperation was stressed in particular. The two sides expressed their interest in this sphere. The question of Hungarian-Israeli diplomatic relations was not discussed at the talks. [end recording]

[Nemes] In reply to a question, the spokesman said he knows nothing about Peres having also met with Palestinian leader Nayif Hawatimah in Budapest.

At the press conference there was also reference to the visit to Budapest by Shintaro Abe, secretary general of the Japanese ruling party. As a result of this visit the Hungarian Government expects Japanese companies to participate more actively than before in the formation of joint enterprises and to invest more capital in Hungary.

Further on Press Briefing

LD1205150288 Budapest MTI in English 1217 GMT 12 May 88

[Text] Budapest, May 12 (MTI)—The spokesman of the Hungarian Ministry of Foreign Affairs held a press conference in Budapest on Thursday [12 May] on the successfully developing Hungarian-Japanese relations and on Hungary's expanding contacts with the African countries.

Concerning the visit to Hungary from May 4 to 6 of Shintaro Abe, general secretary of the ruling Japanese Liberal-Democratic Party (LDP), Spokesman Istvan Komoroczki said: During his talks with Janos Kadar, HSWP general secretary, Matyas Szuros, secretary of the Central Committee, Istvan Sarlos, speaker of parliament, and Jozsef Marjai, deputy prime minister and minister of trade, the Japanese politician was comprehensively informed of Hungary's foreign policy endeavours and the planned political and economic reforms. The parties emphasized that bilateral contacts were developing successfully. Since 1985 Hungary has doubled its sales to Japan, and Japanese firms have shown keener interest in capital investments in Hungary. It was stressed, however, that the presence in Hungary of Japanese working capital and the number of joint ventures did not comply with Japan's outstanding role in the world economy and the international financial life. The Japanese side understood and supported the Hungarian request that its trading houses should take a more active part in Hungary's programme of stabilization and advance through the establishment of joint ventures and through direct capital investment.

Concerning the recent official visit to Hungary of Mozambican Foreign Minister Pascoal Manuel Mocumbi, the spokesman emphasized that Hungary has always expressed solidarity with the peoples and movements fighting for their independence and liberation. It has also provided political, diplomatic, and moral support for the forces struggling against the South African apartheid regime, for the independence of Namibia.

Expounding the Hungarian position, the spokesman said that the tensions prevailing in the southern region of Africa, because of the attitude of the anachronistic South African regime, had an influence of the public mood and peace of the whole world. Hungary holds the view that the parties concerned should find a peaceful and negotiated settlement to the grave conflict. On this score the spokesman welcomed the talks held between the countries concerned, including the Republic of Cuba, the success of which may provide international guarantees for the national independence, sovereignty, and territorial integrity of Angola and for Namibian independence.

In reply to questions, Istvan Komoroczky spoke about the visit to Budapest of Shim'on Peres, Israeli foreign minister and chairman of the Israel Labour Party. He recalled that the Israeli foreign minister paid a visit to Hungary on his own initiative, en route to the Madrid session of the socialist international, and held unofficial talks with the Hungarian leaders, Prime Minister Karoly Grosz, Jozsef Marjai, and Peter Varkonyi. The talks centred on two topics: The Middle East situation and bilateral relations.

Concerning the settlement of the Middle East situation, the spokesman emphasized that the Hungarian side regarded the talks important since it is a precondition of the settlement of regional conflicts that the parties become familiar with one another's position.

The Hungarian side reconfirmed its well-known position: An international peace conference should be convened under the auspices of the United Nations, with the participation of all parties concerned, including the Palestine Liberation Organization, to settle the conflict.

The parties surveyed bilateral ties and experience in the work of the interest representation offices set up in March. The talks focused on the prospects of developing economic contacts that is a shared interest. The spokesman stressed that the issue of Hungarian-Israeli diplomatic relations had not been raised in the talks.

In reply to a question, Istvan Komoroczky said that although Hungary's consular organs would make every possible effort to promote the family reunification of foreign citizens who had resettled in Hungary, for instance the Hungarians who arrived from Romania, this depends first of all on the foreign authorities issuing the permissions.

Further Strike Reportage: 'Business as Usual'

Walesa on Annual Leave

AU1205132988 Paris AFP in English
0943 GMT 12 May 88

[Excerpts] Warsaw, May 12 (AFP)—It was business as usual at the Lenin Shipyards in Gdansk Thursday as workers returned to their jobs following a nine-day strike, without Solidarity leader Lech Walesa who took some holiday, reports here said. [passage omitted]

Danuta Walesa, wife of the banned Solidarity trade union leader and one of the strike leaders, told AFP by telephone that her husband, an electrician at the shipyards, was taking annual holidays. She did not say for how long. [passage omitted]

Walesa 'Ready To Discuss Problems'

AU1205185588 Paris AFP in English
1850 GMT 12 May 88

[Text] Gdansk, Poland, May 12 (AFP)—The leader of Poland's banned Solidarity union, Lech Walesa, said here Thursday he was ready to discuss problems assailing the country with government officials.

Authorities repeatedly offered to discuss the situation with "all" Poles over the past months but have refused to meet Solidarity officials.

Asked at a press conference here to comment on a statement by Deputy Prime Minister Zdzislaw Sadowski's spokesman that a meeting between Mr Sadowski and Mr Walesa was possible, the Solidarity leader said "a minimum of good will (...) will in the end bring about a solution."

But Mr Walesa added that government officials had failed to show such good will so far.

According to the union leader, Poland's recent social unrest may have been "provoked" by elements not related to Solidarity.

Walesa Interviewed by Italian TV

AU1305083488 Rome ANSA in English
0812 GMT 13 May 88

[Text] Rome—"Nothing has been concluded, nothing has been decided. If necessary, Solidarnosc is ready to try again," Lech Walesa, leader of the outlawed Polish independent trade union Solidarnosc, said Thursday [12 May] in a telephone interview to the Italian state television network RAI.

"There cannot be freedom without social dialogue," Walesa added, "and for this reason the main cause for Poland's crisis should be sought in the absence of union freedom in the absence of Solidarnosc" [sentence as recieved].

Asked to comment on the decision by striking workers at the Gdansk Lenin Shipyards, where Walesa works as an electrician, to suspend their strike, earlier this week, the union leader replied: "It was a well-thought-out decision, a choice which turned into an important victory what risked being a defeat. This strike was, in a certain sense, premature but we decided to stage it even without the certainty that it would end successfully".

Regarding the role of the church, Walesa affirmed the church did "everything in its power to open the way for dialogue and understanding. It worked for pluralism in society. It is certain that it cannot do this forever. The church is called to a mission much more important and cannot continually devote itself to the shortcomings of our nation. Nevertheless, this conflict demonstrated that the Polish church remains an integral part of the nation".

Solidarity Adviser Interviewed

PM1305092088 Paris LIBERATION in French
5 May 88 p 24

[Interview with Solidarity Adviser Jacek Kuron by Pierre Vodnik—date and place not given]

[Excerpt] LIBERATION: A month ago you spoke of the "specter of revolt which haunts Poland." Do the current events prove you right?

Jacek Kuron: This is a crisis of confidence and only a government which has society's confidence will be able to stop the course of events and call for austerity within the framework of reforms. The real issue in the present battle is the formation of such a government.

The authorities may not yet know it or may refuse to believe it, but they will suddenly realize it. The strikes are about economic issues. But the strikers are also demanding the restoration of Solidarity. At the beginning of the 1980 strikes, nobody was demanding a free trade union, but that was the real issue. Today, the situation is even clearer. All the Poles have already understood that a wage increase of 20,000 zlotys will not solve everything.

LIBERATION: How do you view such a government?

Jacek Kuron: I see it as a coalition government, supported by Solidarity, the Church, by other independent groups which must be recognized, and finally, by all the forces within the regime.

LIBERATION: Do you see it as supported by Moscow?

Jacek Kuron: That is obvious. I think that Gorbachev is capable of accepting it. I think that peace in Poland is essential to him.

LIBERATION: Is the alternative to a coalition government the use of force?

Jacek Kuron: The use of force would only make the situation a hundred times more difficult. It would raise the question of the Communists' departure. The force used in December 1981 did not solve anything. History never repeats itself but always starts again from the point at which it was stopped.

We are now very definitely in the same position as on the eve of 13 December 1981. The only difference is that everything is even more difficult. The advantage is that both sides have learned a great deal since then. They have realized that force leads nowhere. We have learned that we must not want too much at once. [passage omitted]

Opposition Calls Church Role 'Sell-Out'

AU1205163788 Paris AFP in English
1626 GMT 12 May 88

[Text] Warsaw, May 12 (AFP)—The key role played by Poland's Catholic Church in the peaceful end of a nine-day strike at the Lenin Shipyard in Gdansk was attacked Thursday by the opposition as a "sell-out."

An opposition leader who asked to remain anonymous told AGENCE FRANCE-PRESSE the Gdansk workers had been "let down by the church."

"Why did the church accept to compromise with the authorities on the back of the workers to obtain nothing but verbal promises?" he asked, calling the church's role in ending the dispute a "sell-out."

In the middle of last week, the Catholic leadership, concerned that strikes in Gdansk and at a steel mill in Nowa Huta near Krakow could spark even more serious troubles, sent mediators to each site.

The presence in Gdansk of Lech Walesa, the head of the banned trade union Solidarity, had worried the church as much as the government.

The mediation, according to the opposition leader, resulted in the church "playing the game of the authorities."

The church mediators were all members of the Association of Catholic Intellectuals. Some were considered close to Pope John Paul II.

In Nowa Huta, they had scheduled a meeting between the strike committee leaders and the management—a major victory over the government's refusal to deal with what it called an "illegal strike"—when the security forces stormed the mill.

The mediators left after apologizing to the workers.

Two days later, the deputy head of the government, Kazimierz Barcikowski in turn apologized to the Polish primate, Archbishop Josef Glemp, and assured him that the authorities would avoid using force in Gdansk.

At the Baltic Sea port, the local clergy also spared no effort to get the two sides to the negotiating table.

A member of the Episcopal mediation group, Andrzej Wielowieyski, participated in all the talks that started Saturday. These talks broke off Sunday but resumed after the intervention of the Interior Minister, Czeslaw Kiszczak.

Just as a confrontation seemed inevitable, the Bishop of Gdansk, Msgr Tadeusz Goclowski, intervened and obtained from management promises of unspecified pay raises for all shipyard employees, no dismissals or criminal prosecution of strikers and the liberation of all political prisoners sentenced since 1981.

The workers, disappointed that their strike had not spread to other large industrial plants, evacuated the shipyard and went back to work.

After the evacuation, Msgr Goclowski insisted on publicly reminding the authorities of their promises, but many opposition figures fear that these will never be met.

PAP Reports on Ursus Factory Work This Year

LD1205120488 Warsaw PAP in English
1125 GMT 12 May 88

[Text] Warsaw, May 12—The Ursus tractor factory in Warsaw manufactured a total of 18,600 tractors in the four months of this year. In May, despite various difficulties over 5,600 tractors will leave the assembly lines, which means more than 200 a day. On May 10, for instance, the factory made 217 tractors.

There are several novelties to be introduce to the hitherto produced types of tractors and their parts this year. The Ursus factory will mount a comfort cabin on 2,000 of its Massey-Ferguson 255 licence tractors, which was earlier promised to farmers who had been long waiting for this improvement.

The factory also plans to launch mass production of a 4-cylinder Perkins engine this year. In the second half of this year, it will also produce some 2,000 Ursus-4512 tractors already in mass production.

Ursus Officials Deny Strike

LD1205200288 Warsaw PAP in English
1911 GMT 12 May 88

[Text] Warsaw, May 12—To throw light on the rumours that have been circulating in Warsaw about a strike at the Ursus tractor factory and about an alleged rally

scheduled to be held there at high noon, a local television news bulletin reporter interviewed managers and workers who had just ended first shift. All of them denied the rumours.

"It was a day of normal work," said the manager of the license tractor assembly department. "We met our daily plan—50 tractors, which is as many as we have been producing these last days. We did not sense any strike climate. Other departments and sub-plants worked normally too and supplied us with indispensable sub-assemblies."

"Talks were going on for three days here," confirmed the factory's general director who had been one of the persons to take part in the negotiations.

"Pertaining to pay and security at work, motions and demands were discussed. The motions were taken over by the Workers Council which, on advice from the trade unions, will make appropriate decisions. Other postulates, those which went beyond the factory's territory lines, were not the subject of discussion or negotiations," the Ursus director stressed.

Further on Nowa Huta Strike Situation

LD0705024288 Warsaw Domestic Service in Polish 0000 GMT 7 May 88

[Text] Nowa Huta—We are conscious of the significance of our enterprise for the economy of the country and of the influence of our production on the success of the economic reform. We feel that the current, last-resort solution was dictated by strike activity that was murderous for the plant and the economy of the country, states the resolution of the extraordinary session of the plenum of the factory union of Socialist Polish Youth of the metallurgical plant in Nowa Huta.

Some Strikers Released

LD1205185588 Hamburg DPA in German 1826 GMT 12 May 88

[Excerpts] Warsaw (DPA)—Two days after the end of the strike at the Lenin Shipyard in Gdansk, at least six members of the strike committee of the Nowa Huta steelworks were released in Nowa Huta near Krakow today. A spokesman for the Church Aid Committee for the strikers of Nowa Huta announced that they are among those sentenced by courts to several weeks' detention. A total of 38 people were arrested because of the strike in Nowa Huta.

The releases follow a visit by Interior Minister Czeslaw Kiszczak to Krakow. [passage omitted] In the final stages of the strike at the shipyard in Gdansk, Kiszczak had promised the church mediator, Wladyslaw Sila Nowicki, that those arrested in Nowa Huta would be released if the shipyard workers in Gdansk gave up their strike. No one involved in the Gdansk strike was arrested.

'Moderation' Needed in Society

LD1205144888 Warsaw PAP in English 1322 GMT 12 May 88

[Text] Warsaw, May 12—How did the author of "History of Stupidity in Poland" receive the news from the Gdansk shipyard or from the Lenin steel mill at Nowa Huta. This was the question PAP asked of Aleksander Bochenski, the outstanding writer and essayist and author of "Matter of the Nation's Psyche," "Digressions on Higher and Lower Culture," And "Deliberations on Polish Politics." Here are some excerpts of his comments:

"To a question put in this manner I must respond the way most people would respond: (I received it) with a feeling of uneasiness.

"Since you were kind to mention my 'History of Stupidity in Poland' I think that someone should now write a 'History of Moderation in Poland' as moderation is a value our society needs very badly. This camp of moderation or, in other words, common sense, has always existed and exists now in Poland, but to my mind it has not been offensive enough.

"In public life, emotion is a poor adviser. Recently, quite a popular monthly published a letter from a reader who wrote that Poland was facing a biggest misfortune possible, and namely that we could stop to hate the Germans.

"The loss in human life that we suffered in the course of the war and Nazi occupation was bigger than vast. [as received] It is a fact which is hard to forget. But to say that it would be the nation's greatest misfortune is a complete catastrophe. Following this line of thought, one could say that we should eternally cherish our hate for Turks, Swedes, or Russians.

"It is apparent that the system of emotional evaluation has too deep roots in us. What can be said about the perception of economic matters if the system leaves the depths and comes to the surface of international relations. Then, true, there is little one can say.

"Meanwhile, we are—as a nation and a state—facing problems which require some degree of national agreement. I do not think that we would go as far as to have citizens consider a governmental programme as their own, as it is the case in England or in the FRG. Fair enough, they too encounter discrepancies in opinion there, but nonetheless, it does not lead to disloyalty, to doubting the government's good will."

"As long as we overlook the high degree of danger the most forcible argument for reconciliation will be missing. I think it was the West German KOELNISCHE RUNDSCHAU that wrote, at the time of strike in Nowa Huta, that Poland could not afford the luxury of strike.

"Were that thesis adopted by the opposition, it might be easier to reach if not a lasting accord then at least a cease-dispute, for say, three years, since it is in three years that the authors of the 'Three S' system promise an improvement of the situation in Poland.

"There is also another attitude possible towards the threat and it is contradictory as it is characterized by an absolute denial to trust the leadership and manifested not as much by reason but by purely emotional and unrelenting hostility towards leaders, by denying them not only good judgement but also good will.

"This fierce hostility is followed by humiliating beggar-like search for help from strangers, even to the point of acting against one's own government. This is how certain groups act in our country.

"And yet, the West takes advantage of our internal splits to brew its own cup of tea without considering the lofty slogans it voices. There, limitations of rights to strike and police brutality exceed by many times what we are dealing with here, in Poland.

"I am not a protagonist of the 'Three-S' system which has been conceived and is being introduced by our economists-theoreticians. I think the reform should be more rapid, more radical, that it should first of all proceed towards concentration and not deconcentration, towards greater efficiency of enterprises, while this does not go hand-in-hand with limiting the leading role of the director.

"The fact that this is what I think and that I would opt for a completely different reform does not imply that I do not realize that the economic situation is dangerous and that inconsiderate strikes may only aggravate it. I think that deep in his heart every Pole agrees with that."

News Conference Held on Special Powers Law

LD1105233488 Warsaw PAP in English
2140 GMT 11 May 88

[Text] Warsaw, May 11—During a press conference here today attended by Polish and foreign journalists, the government's economic reform spokesman, Jerzy Malkowski, answered questions about the adopted law on special powers for the Council of Ministers and various aspects of the economic policy. Below are some of his explanations.

The Council of Ministers—A Wielder of Special Powers [subhead]

The law is addressed to the Council of Ministers and this body will carry it out within the already existing structures. This will require urgently working out the working regulations in accordance with the powers contained in the law.

The law, despite its special character, does not change the law currently in force on the basis of which we function. The Council of Ministers as a constitutional organ is empowered to materialize this law. I am convinced that Vice-Premier Sadowski will play a special role here because of the fact that he is the chairman of the Committee for the Realization of the Economic Reform.

Wages and Prices [subhead]

Malkowski said that the problems which accumulated during the last several weeks indicate that attention should, first and foremost, be given to the issue of wages and prices. This also follows from statistical data for the first quarter of the year. Malkowski said that price and wage freezes would, however, be a far reaching and sad necessity. Even where certain wage limitations are being mentioned, attention is drawn to the need of taking into consideration the motivating function of wages. This points to the mode of thinking that extraordinary solutions should not induce the departure from that which is the most important thing, that is, motivating people to quantitatively and qualitatively better work.

The Possibility of Merging and Splitting Up Enterprises [subhead]

In the hitherto adopted procedure the merging or splitting up of enterprises required the agreement of all the parties concerned. The law on special powers is aimed to ensure that such motives are made even if the work force of a given establishment is not convinced about its purposefulness. This constitutes a particular instance of putting the public interest above group interest.

Layoffs [subhead]

It is difficult to require that reduction of employment take place without layoffs. The law imposes on state enterprises the obligation of accelerating actions of this type. The idea of the economic reform is the introduction of free market elements into the economy, including on the labour market. Transformations in this sphere are taking place very slowly. In truth, part of the employment has a welfare character. Thus, the Council of Ministers could impose on enterprises the duty of arriving at such employment structures as would improve their effectiveness.

Changes in employment do not threaten with even local unemployment. This does not mean that there will be no complaints. Changing a job is not the only available way to obtain work. Another is acquiring new professional skills. Changes of the economic structure—stressed in the preamble to the law—mean also a change in the employment structure. Difficulties may of course arise. This is why the state job activization fund is functioning

which gathers funds for people who are changing their job qualifications and supports those who, for a period of time—for reasons outside their control—could not find a job.

The Banning of Collective Disputes [subhead]

Collective disputes cannot be conducted without the OPZZ's support only in issues covered by this law. Conducting disputes on other matters is possible.

Is Shut-Down of Shipyards Possible? [subhead]

Many production enterprises have been under commissary management for years. This means that the law on the improvement of the economy and insolvency of enterprises has already applied to them. The introduction of an appropriate clause to the Law on the Special Powers is an expression of the dissatisfaction with the long duration of the procedure of healing the economy.

Not only in Poland, but also all around the world the shipbuilding industry is going through a slump. Also in Poland its existence is uncertain. The shipyards were a cause of concern for a long time. Each yard either has underemployment problems or shows low effectiveness. I am of course speaking about shipbuilding yards, ship repair yards are effective.

Journalism Official Denies 'Slander' Charge

LD0905115388 Warsaw PAP in English
1045 GMT 9 May 88

[Text] Warsaw, May 9—The ZYCIE WARSZAWY daily today brings the full text of a "statement" issued by 17 persons who declare themselves as "journalists from the milieu of the association of Polish journalists," dissolved in 1982, including Stefan Bratkowski and Dariusz Fikus.

They accuse the "official mass media that after the period of tangible progress in their truthfulness, they have again become the instrument of disinformation, slander and instigation, this time, against the striking workers."

The daily also carries a reply to the statement signed by the chairmen of the association of journalists of the Polish People's Republic (SD PRL) and the press council, Artur Howzan and Jozef Krolikowski. They said that while "focusing their attention on reporting in these recent, difficult days, journalists avoided hasty assessments and comments. In this context the charge of instigation and spreading slander is particularly perfidious. Instigation and slander are visible, indeed, but right in the 'statement' which pronounces false accusations against journalists and clearly aims at the division of the milieu.

"Polish journalists are aware of the difficulties faced by the process of reforming the state and its economy. These are presented openly, without false or biased reporting. However, they come firmly in favour of solving all difficulties and conflicts in the atmosphere of peace and dignity and not by means of demagogic statements, slogans and appeals."

PAP Press Review Covers Week's Events

LD0705015588 Warsaw PAP in English
0007 GMT 7 May 88

["Press Review"—PAP headline]

[Text] Warsaw, May 7—A scientific session held to mark the 160th anniversary of the establishment of the Bank of Poland and attended by Wojciech Jaruzelski and Zbigniew Messner is the leading home story in all Polish dailies which also print the text of Jaruzelski's address to the session.

(?Most) space in newspapers, however, is given to yesterday's topic number one, that is special powers for the government discussed by the Socio-Economic Council at the Sejm (parliament) and by the Presidium of the Economic [word indistinct] Council. The dailies also print extensive excerpts of a speech delivered at the Socio-Economic Councils meeting by its chairman Mieczyslaw F. Rakowski.

Much space is given to reports from the Lenin steelworks in Nowa Huta where the situation is getting back to normal after the strike and in the Gdansk shipyard where one of its gate is still occupied by striking workers despite calls by its director to leave the yard.

The situation in Poland following the recent wave of labour unrest also comes in for comment in most dailies which run related commentaries on the causes of strikes, their impact on the economic reform, as well as Western perception of the events with which the party daily TRYBUNA LUDU engages in an argument.

Highlighted is a visit to Warsaw by DPRK's vice-premier and Foreign Minister Kim Yong-nam, who was received by the Polish prime minister and held plenary talks with the Polish foreign minister.

ZYCIE WARSZAWY brings an extensive interview with Polish Agriculture Minister Stanislaw Zieba who said that "Agriculture reached better results than planned" in recent years.

Today's issue of the popular daily ZYCIE WARSZAWY frontpages in its regular column "In My Opinion" an article by sociologist Zbigniew Sufin, who analyses the reasons why strikes have erupted in Poland.

"In my opinion, when the solutions of the second stage of economic reform were introduced, and particularly before the price and income operation was carried out, serious mistakes were made in evaluation of social

awareness and attitudes. The mounting feeling of helplessness and of having no influence upon economic reality among numerous worker group was not taken into account," decided Zbigniew.

"Here, I would supplement one more element: evident disappointment of many social groups (?over inconsistency) and slow pace of the reforms application.

"We have thus to realize," Sufin went on, "That devaluation of appeals and mottos of the second stage has evolved. But it is not a devaluation of the idea of the reform itself."

"Understanding is growing that departure from the economic impasse is not possible without further, significant progress in democratization.

"General issues of systemic nature still await their solution. One of them is related to the question: How, in the reality of our enterprises, can the mentality typical of a hired hand be transformed into the mentality of a co-manager.

"The attitudes and demands of the workers on strike were in fact but attitudes and demands of hired hands, while appeals addressed to them referred to them as to co-managers," observed Zbigniew Sufin in his analysis.

In another related commentary the ZYCIE WARSZAWY paper said: "For some time now we have found ourselves as society, but probably also as every individual, in the state of intensified abnormality. Restlessness stares us in the face. Strikes, followed by the whole complex of negative consequences, have disturbed the rhythm of work, organized and rationalized with difficulties, the complicated process of creating normality, understood in the broadest way."

"The realization of forwarded pay (?postulates, are) justified from the point of view of existential human needs and feasible tomorrow, would disturb (?today our countrys) economic balance, created with great pains taken. Political demands which accompany the pay ones and which are formulated aside from striking crews, in opposition circles, were of distressingly confrontational character. Their intentions and contents were aimed at again imposing sharp political struggle on Poland, resulting in social conflicts and splits".

"The attempt against the difficult process of the restoration of normality in Poland, acted from various motives and reasons, often honest but not always taking results into consideration, has not found sufficiently favourable social conditions".

"However, recent events, being of incidental character in fact, point to potential threats to the process of Polish reforms. They cannot be ignored. But questions concerning the state and pace of reforming which emerge against this background cannot be put aside either. These are the questions important at present and the more important for the future," the paper concluded.

Commenting on developments of the recent days, the PUWP daily TRYBUNA LUDU writes that "Unrest which erupted lately grossly complicated the process of reforms".

"Many people are of the opinion that it was in fact a blow precisely at the reform. And it hurt all the more as it was delivered at the reforms very beginning, when results are not yet apparent and when social and economic burden and hardship are manifested with all their acuteness."

"There is a whole accumulation of objective premises, strictly economic ones, which brought about this surge of unrest," observed the daily.

"Much awaited and indispensable as it was, restructuring of the economy has [words indistinct]."

"The complex situation of the economy, an economy which is pressed by shortage of raw material, fuel and hard currency in particular, an economy which has a structure that has been welded throughout decades and that is adjusted neither to social needs nor to challenges of the future—all this proposes a promising ground on which to indulge in political play, as well as an opportunity never-to-be-had-again to transform natural populations concern over the living into political unrest and to trigger wrestling for power."

"And alas, there have appeared in postulates of some striking crews demands which include the aforesaid. Whereas professional politicians of the opposition have again started to climb factory fences with a view to accumulating their own political capital. At the expense of the economy and at the expense of society," concluded its commentary the TRYBUNA LUDU.

'Tiredness With Poland' Seen in Foreign Press

LD0605204088 Warsaw Television Service in Polish 1730 GMT 6 May 88

[Commentary—commentator's name indistinct]

[Text] It seems there is less information about Poland carried by foreign agencies today. Generally speaking, three currents can be identified in what has been published in the foreign press and broadcast by radio and television during the last 2 weeks.

The first one is obvious: an instructional current. This one has prevailed in Polish-language programs. They have their own place and their own orders allocated to the them, but these broadcasting stations are not part of the world press [as heard].

In the world press, however, for example, in the FINANCIAL TIMES or West German newspapers, there have been comments on the connection between Nowa Huta or Gdansk and the state of our economy. They have been writing about Poland's lack of economic credibility.

There was also another tone: a reminiscence of 1980, expressing the expectations of those who would be pleased to see a Polish obstacle in the process of detente. This causes concern, and not just for us.

Finally, another current in the commentaries, in which one can simply read a feeling of tiredness with Poland and her problem.

The current U.S. press quotes a statement by Marlin Fitzwater, the White House spokesman, that the events in Poland will in no way become a factor determining the agenda of contacts between the great powers.

I think two conclusions come from all this. First, this means that the orientation toward a foreign sponsor for the opposition seems at present to be an anachronism. Second—and we should all take this into consideration—If barriers to international dialogue appear in Poland, there will be no room for us in this dialogue. World interest today is simply different.

Metallurgical Workers Day Celebrated

LD0805061988 Warsaw Domestic Service in Polish 0500 GMT 8 MAY 88

[Text] The central ceremonies to mark Metallurgical Workers Day have been held in Stalowa Wola. Premier Zbigniew Messner sent wishes and congratulations to the steelworkers. Alfred Miodowicz joined in the wishes and congratulations. He said that the steelworkers were celebrating their day in an atmosphere of concern about the state of this branch of industry. It was therefore necessary to get down to modernizing Polish steelworks, foundries, and coking plants. Wage (?issues) also need solving. Economies, in the broad sense, and a fight against bad management are essential.

Wozniak Queried on Economic Committee Meeting

LD0505201488 Warsaw Television Service in Polish 1730 GMT 5 May 88

[Text] The draft law on extraordinary powers for the Council of Ministers was the main subject of a meeting of the PZPR Central Committee commission on economic policy and reform.

[Begin recording] [Marian Wozniak, identified by screen caption] The extraordinary powers for the government are intended to create conditions to speed up economic reform, to accelerate the balancing of the economy, and to unblock all those mechanisms hampering a fast achievement of economic effects.

[Unidentified correspondent] Can you give some specific examples?

[Wozniak] I will give you two examples. First, the creation of conditions for faster extortion [wymuszanie] of results, such as simplifying management structures in enterprises or economic units—these do not have to be enterprises, they can be larger organizations—and rationalizing their functioning, ending this too lengthy procedure of reviewing things for several years, thinking about things, discussing them. This primarily utilizes economis capacities and shortens, in a way, the time in which decisions are made.

The second thing I can mention is the classic example of bankruptcy procedure. I will use an off-the-cuff example of the Warsaw Budopol. The whole process took almost 3 years. In economic categories it is a paradox. Unfortunately, the legal system has its intricacies and these extraordinary powers must simply create conditions so that the bankruptcy procedure would not increase even more the amount of losses that have been incurred. Economic units bring about social losses, produce no results, and are often subsidized. [end recording]

Bydgoszcz Voivodship Assesses Economy

LD0405184788 Warsaw Domestic Service in Polish 1700 GMT 4 Apr 88

[Text] At today's penultimate meeting of this term of the Voivodship People's Council in Bydgoszcz, the economic results of Bydgoszcz in 1987 were assessed. Councillors also heard information from the Voivode on the solution of pay problems in the Voivodship Enterprise for Municipal Transport [Wpk] in Bydgoszcz. Wpk employees, as a result of flagrant differences in pay in comparison to other enterprises of that kind in Poland, undertook on 25 April this year protest action which ended with the negotiating of a new pay system. To introduce the new system, money is needed from the voivodship budget not only to cover the rise in pay but also to pay tax on above normal pay. Bydgoszcz Voivode Stanislaw Kubczak proposed three sources for gaining these funds:

[Begin Kubczak recording] I intend to gain the necessary means by obliging the Wpk to lower their working costs by a sum of at least 50 million zloty, and to under take economic measures which will increase the income of that enterprise by a further 50 million. On the basis of the Law on Prices, I propose raising the price of municipal transport tickets from 3 to 5 zloty as of 1 June 1988, and in a relevant manner the prices of remaining tickets—monthly, network—to undertake action to increase the budget income by supporting enterprise, increasing turnover, and increasing the income of economic units, particularly trade, which reinforce our voivodship budget. Means gained by this method would permit the Wpk pay fund to be enlarged.

Interior Minister Visits Krakow

LD1205185188 Warsaw Television Service in Polish 1730 GMT 12 May 88

[Text] The press spokesman of the Internal Affairs Ministry reports that General Czeslaw Kiszczak, PZPR Central Committee Politburo member, chairman of the Council of Ministers' Committee for Observance of the Law, Public Order and Social discipline, met in Krakow

[no date given] with leading officials of the Voivodship Office of Internal Affairs. He was briefed on their assessment of law and public order in the city and the voivoidship. He also talked with voivodship prosecutor (Andrzej Zalecki). Czeslaw Kiszczak also met with Jozef Gajewicz, first secretary of the PZPR voivodship committee in Krakow; Krakow city mayor Tadeusz Salwa; and with the rectors of the Krakow colleges of Jagiellonian University, Professor Aleksander Koj; the Mining and Metallurgy Academy, Professor Jan Janowski; Docent Jerzy Trela, of the State Theater College, member of the Consultative Council attached to the chairman of the Council State; and also with member of the Consultative Council attached to the chairman of the Council of State, Prof Jozef Andrzej Gierowski. Some problems concerning the sociopolitical situation in Krakow city and Voivodship, including the university community, were discussed.

Czeslaw Kiszczak visited the metallurgical combine in the Lenin steelworks, where he met representatives of the management and the workforce. He talked with director Eugeniusz Pustowka; Stanislaw Baranik, first secretary of the PZPR Factory Committee and Sejm Deputy; Zbigniew Czyzewski chairman of the workers' Council at the Combine; Jan Tyrka, deputy chairman of the independent, self-governing trade unions at the combine, and (Andrzej Wortman), chairman of the Factory Board of the Union of Socialist Polish youth, about the social and production situation at the combine.

During his stay in Krakow, Czeslaw Kiszczak paid a visit to Krakow Metropolitan, Cardinal Franciszek Macharski, cochairman of the Joint Commission of Representatives of the Government and Episcopate.

Leaders Greet CSSR Leaders on National Day

AU1105130788 Warsaw TRYBUNA LUDU in Polish 9 May 88 p 2

[Congratulatory message from PZPR First Secretary W. Jaruzelski and Premier Z. Messner to CSSR counterparts on CSSR National Day]

[Text] To Comrades Milos Jakes, general secretary of the CPCZ Central Committee; Comrade Gustav Husak, president of the CSSR; and Comrade Lubomir Strougal, chairman of the Government of the CSSR:

Esteemed Comrades, on the CSSR National Day—the 43d anniversary of liberation—on behalf of the PZPR Central Committee, the State Council, the PPR Government, and the Polish people, we wish to convey cordial greetings and best wishes to the CPCZ Central Committee, the CSSR Government, and the peoples of the fraternal CSSR.

Through their creative and laudable efforts since 1945, the peoples of the CSSR have marked great achievements in socialist construction and material and cultural progress under the leadership of the CPCZ.

We are pleased to state that the period from 1945 has also seen the comprehensive development of Polish-Czechoslovak friendship and cooperation based on the community of our parties' ideological goals, on neighborliness, on the unity of national and social interests, and on economic ties.

Soviet peace policy, which has resulted in the signing of the historic accord on eliminating intermediate- and shorter-range nuclear weapons, enjoys the full support of our states and peoples.

Cooperating with other socialist states, our two countries continue to make their contributions to the consolidation of European security and to propose steps to reduce armaments, to increase confidence, and to set up European zones that are free from nuclear and chemical weapons.

The PPR and the CSSR actively cooperate to strengthen the unity and political-defense alliance of the socialist states, as well as the development and improvement of economic cooperation within CEMA.

We highly value the traditional ties of friendship and cooperation between our countries and peoples, and wish to strengthen, develop, and enrich them still further.

We are convinced that especially now, during a period of great creative changes in the practice and theory of socialist construction and the activities to accelerate the socioeconomic development of our two states, exchanges of experience and mutual economic cooperation are especially important.

Dear comrades, accept our best wishes for further successes in developing your socialist homeland and our cordial wishes for good health and personal happiness.

Signed: Wojciech Jaruzelski, PZPR first secretary and chairman of the State Council; Zbigniew Messner, chairman of the Council of Ministers of the PPR.

Expulsion Order for Seven Belgian Pacifists

AU1305073888 Paris AFP in English 0434 GMT 13 May 88

[Text] Warsaw, May 13 (AFP)—Poland slapped expulsion orders Thursday on seven Belgian pacifists who had been invited officially, giving them until midnight to get out, a reliable source here said.

The seven, members of the Flemish Action Committee Against Nuclear Arms, arrived on Sunday and were welcomed by the secretary of the official Polish Peace Committee on Tuesday.

They were arrested in Szczecin, northern Poland, on Wednesday night after they met with the dissident pacifist movement Liberty and Peace.

Police held them for two hours, and then notified them of the expulsion orders.

The Belgian Embassy here has protested to the Polish authorities.

USSR's Gromyko Continues Official Visit

Visits Oil Equipment Unit

AU1205144688 Bucharest Domestic Service in Romanian 1000 GMT 12 May 88

[Text] Within the framework of the official friendly visit, which he is paying to our country at the invitation of Comrade Nicolae Ceausescu, RCP secretary general and president of the SR of Romania, Comrade Andrey Gromyko, member of the Politburo of the CPSU Central Committee and chairman of the Presidium of the Supreme Soviet of the Soviet Union, was the guest of the "1 May" enterprise in Ploiesti, a powerful unit of our machine-building industry.

The high-ranking Soviet guest was accompanied by Comrade Ion Stoian, candidate member of the PEC of the RCP Central Committee and secretary of the Central Committee, and by other officials.

On arrival, Comrade Andrey Gromyko was welcomed by Ion Fratila, first secretary of the Prahova County RCP Committee and chairman of the county People's Council, and by representatives of the relevant ministry, of the specialized industrial central, and by the management of the enterprise.

During the visit, the hosts presented the main concerns of this representative oil equipment-producing enterprise that is manufacturing a wide range of installations and equipment for crude oil drilling and extraction. The hosts stressed the particular care and help granted by Comrade Nicolae Ceausescu to developing and modernizing the production process of this enterprise and to the production of high quality and technical installations that are currently being exported to more than 30 countries on all continents.

During the visit to production sections and the assembly platform, and during the meeting with the Working People's Council, the sides stressed the positive cooperation with the Soviet Union in this field, and existing prospects to further expand this cooperation.

Comrade Andrey Gromyko inquired about the organization and modernization of the production process, and about the technical-operational quality of the equipment, and expressed words of appreciation about the achievements of the working people in this representative enterprise of Romanian industry.

Attends Lunch in Prahova County

AU1205145188 Bucharest Domestic Service in Romanian 1000 GMT 12 May 88

[Text] During Comrade Andrey Gromyko's visit to Prahova County, a luncheon was given by Comrade Ion Fratila, first secretary of the Prahova County RCP Committee and chairman of the county People's Council, in his honor.

During the luncheon, which took place in an atmosphere of warm friendship, toasts were proposed to the constant strengthening of relations between Romania and the Soviet Union.

Continues Talks With Ceausescu

AU1205174188 Bucharest Domestic Service in Romanian 1700 GMT 12 May 88

[Text] Official talks between Comrade Nicolae Ceausescu, RCP secretary general and president of the SR of Romania, and Comrade Andrey Gromyko, member of the Politburo of the CPSU Central Committee and chairman of the Supreme Soviet, continued at the State Council Palace today.

During this fresh round of talks, which took place in the same comradely atmosphere of warm friendship, the two sides examined the stage of Romanian-Soviet relations and ways to intensify them. In this sense, the two sides stressed with satisfaction that relations between Romania and the Soviet Union have continued to develop at various levels in the spirit of the understandings concluded during summit dialogues in Bucharest and Moscow. At the same time, it was emphasized that the results achieved in promoting bilateral cooperation and the dynamic increase in the potential of the economies of the two countries create favorable conditions to continue to expand, on mutually advantageous bases, production sharing and specialization, and trade exchange fully in keeping with the provisions of the long-term program aimed at developing economic and scientific-technical cooperation between Romania and the Soviet Union up to the year 2000.

The sides stressed that continuously strengthening multifaceted cooperation between Romania and the Soviet Union is in the interests of our countries and peoples, and serves the general cause of socialism and peace.

Lidiya Gromyko Tours Bucharest

AU1205175288 Bucharest AGERPRES in English 1711 GMT 12 May 88

[Text] Bucharest AGERPRES 12/5/1988—On Thursday, Lidiya Gromyko visited objectives of social interest in Bucharest. On the occasion she was presented aspects of the programme for the capital's continuous modernization, housing construction development and town planning.

RCP's Constantin Meets Israeli Premier Shamir

AU1105144588 Bucharest AGERPRES in English 1329 GMT 11 May 88

[Text] Tel Aviv, AGERPRES, 11/5/1988—Messages of salute between Nicolae Ceausescu, RCP general secretary and president of Romania, and the prime minister of the State of Israel, Yitzhaq Shamir, were exchanged in Tel Aviv during the call on the Israeli premier by Nicolae

Constantin, member of the Executive Political Committee of the CC of the RCP, who participated in the tenth Congress of the MAPAM [United Workers Party of Israel] party.

During the interview emphasis was placed on the positive evolution of the cooperative relations between Romania and Israel in the interest of the cause of detente, understanding and peace in the Middle East and worldwide. Special attention was paid to the expansion of the Romanian-Israeli economic ties. Reference was also made to some current international issues and to the situation in the Middle East in particular. In the context Romania's and President Nicolae Ceausescu's stands were reasserted regarding the political settlement of the conflict and the achievement of a global, durable and just peace in that region.

During his visit to Israel Nicolae Constantin met with Meir Vilner, secretary-general of the Communist Party of Israel, with members of the government as well as with other Israeli officials.

Ceausescu Gives Speech at 6 May PEC Meeting

AU1105091788 Bucharest SCINTEIA in Romanian 7 May 88 pp 1, 3

["Comrade Nicolae Ceausescu's Speech" at the 6 May meeting of the PEC of the RCP Central Committee held in Bucharest]

[Text] Esteemed comrades: During the last meeting of the PEC, I discussed the problems of socioeconomic management activity at length. I will now refer to some problems and measures linked to the current activity of fulfilling the plan for the first half of the current year.

The councils for branches have examined at length how the plan has been fulfilled in the first 4 months of the current year and the measures that are necessary to fulfill our plan under the best of conditions. On the whole, we can say that results are satisfactory if we compare the overall growth rate of the national economy with the same period last year. However, plan provisions have not been completely fulfilled. We have an arrears of some 9 billion lei in commodity production, while the increase in commodity production in April was not very good compared with the same month last year. Bearing all this in mind, firm measures are needed to commendably fulfill the plan for May, for the remaining months, and for the whole year.

Although we have a relatively positive increase in exports—both in exports to socialist countries and on hard-currency markets—the foreign trade plan and especially exports have not been fulfilled completely.

In the area of investments, we have also achieved positive results. In addition, in April we noted an even better rate of executing investment projects and of putting into operation certain production capacities. On the whole, however, we cannot be fully satisfied in this area either.

On the whole, we have quite the same situation in the other sectors of activity.

In agriculture—because of weather conditions, but not only because of them—there are shortfalls in sowing operations. Firm measures are necessary to complete sowing and to finish tending crops and everything that is needed to ensure good yields.

Likewise, scientific research and education have played an active role and participated in our achievements. Further, they have played an active role in intensifying concerns with introducing the results of research more rapidly into the production process. Not even in this respect can we say that the provisions for the first 4 months have been completely implemented.

Generally speaking, as has been discussed at length within the councils for the various branches, we still have serious shortfalls in plan fulfillment, both regarding outputs and other plan indicators—I am referring to economic efficiency, labor productivity, material consumption, and production costs. Therefore, very firm measures need to be taken this month and in June, that is, in the first half of the year, to completely eliminate negative situations, shortfalls, and lags in order to ensure the progress of all activities under favorable conditions. Each enterprise, central department, branch of activity, and central body should focus on the complete fulfillment of the plan, as well as on making up for the shortfalls of the first months.

Specifically, we must pay greater attention to raw material sectors and primarily to the oil and coal industry, to ferrous and nonferrous ores. The measures put forward by the PEC in this respect must be firmly applied, and we must implement and even exceed plan provisions for these areas.

I hope that it is no longer necessary to dwell on this and demonstrate why this is necessary. All of you understand my point! However, we have to move from words to deeds, from pledges to tangible activity.

In the last days of April we succeeded in implementing the provisions for the mining area and even achieved a surplus of coal. This means that it is possible, and we are able to implement them. Everything, however, depends on proper organization and on the firm application of the measures established to completely fulfill production plans in all areas. Likewise, the metallurgical, chemical, and construction material industry, and all materials producing sectors must ensure the commendable fulfillment of the plans in terms of variety and not in general terms of value or tonnage. These problems have been

discussed especially with the metallurgical industry. Measures have been established, but we have to completely implement plan provisions, while our central bodies should ensure that all enterprises produce in keeping with the requirements of our national economy. In actual fact, in one way or another, all ministries are producing materials. The machine-building ministries produce pig iron, steels, and also ensure part of their need for materials. The same happens in light industry, in the timber industry, and practically in each ministry, not to mention the problems of the peripheral industry and the subassemblies of spare parts that are being manufactured in the same branch or by different branches. Thus, to a greater or lesser extent, practically all sectors must pay priority attention to producing the necessary materials and to delivering the spare parts that are needed for finished products on schedule.

At the same time, once again I want to mention that the measures aimed at recovering and reusing materials, subassemblies, and spare parts are not being applied with the required determination. We have programs for recovering these materials, we have to development them, but most of all, we must increase the rate of recovering materials. There is room for improvement in this respect and in this way we must ensure proper supplies. However, I believe that it is necessary for each central department, each branch, and each enterprise to revise existing programs and to pursue them daily—this being a very important aspect of the activity aimed at ensuring proper material-technical supplies. Similarly, the measures aimed at reducing material consumption and at observing consumption norms in all enterprises and all areas must be applied under more favorable conditions. Current consumption norms should be considered as maximum norms in all sectors, and action must be taken to seek new ways and means to perfect them and to work out new technologies, which will bring about a further reduction in material consumption.

I am stressing this today because it was pointed out that there is not enough electric cable, hence the conclusion that greater material consumption is needed. However, compared to other countries we have very high consumption of copper, aluminum, and we by far exceed the material consumption for the national product. We have a program for cutting consumption and recovering cables and the various materials in energy and telecommunications—this being of great consequence—but it is not being implemented. I believe that territorial planning should also include this problem.

When we speak about the problem of reusing materials, we refer to all materials. We should not think that we have to remelt metal, cables, or other products. We must primarily use them as they are, because melting them means an additional consumption of energy, work, and expenses. Therefore, in all areas this problem must be much more seriously the focus of all central departments, all enterprises, management councils, county party committees, people's councils, and of our specialized central bodies.

This is the third year since the approval of the programs for the organization and modernization of the production process. Many of them have been implemented, but many of them are also lagging behind. In almost all the enterprises that I visited in this period I noted that there are programs of application and measures—some including 150-200 measures. However, the easy things were implemented first. These things are surely also important, but the main efforts did not focus on basic problems. In chemistry, for instance, we envisaged a 25-30 percent cut in energy and material consumption. Our modernization programs even stipulated ways to achieve such cuts, but little has been done in this respect.

We have programs in the metallurgical, machine-building, and light industries and actually in all sectors. In the period that we established a short time ago, we have to revise them, firmly start completing them, and above all and by all means implement all their provisions.

We have to pay particular attention to the problem of better capitalizing on materials—in combination with intensive development—in order to change from manufacturing products with high material consumption to better products that capitalize several times—some of them scores of times—on raw materials. This holds true for chemistry, the metallurgical industry, and actually for all sectors of activity. We have programs endorsed by the congress. However, we have achieved little, and we have to revise these programs. They should be posted in enterprises every day, be discussed within sections, and each working man should know what he is supposed to do every week, every month. Activities should be controlled constantly, and measures should be taken to ensure the complete implementation of these programs.

Proceeding from guidelines on the intensive development of industrial and agricultural activities, and activities in all sectors, we must implement all measures in this respect by all means I think that at this point this is the main problem of the Romanian economy, and all our attention must be focused in this direction.

We have achieved good results in improving quality and the technical standard of products. However, there are many things to be done in this respect and the problem of better capitalizing on materials is directly linked to improving the quality and technical standard of products. Improving quality is not an issue of a campaign, it should be a daily concern. Unfortunately, even in the past 4 months, products that do not completely meet the required quality and technical standards have left our enterprises, both for domestic consumption and for foreign countries.

All this makes it a topical task to further increase the responsibility of research bodies and institutes in the entire work of socioeconomic development. We must firmly apply the latest achievements of the scientific-technical revolution and the agrarian revolution in all fields of activity. One cannot conceive of an intensive development, of modernization, and of other measures without the active involvement of science in the entire

management activity, in the development of new and better technologies and products, and in their rapid introduction into production. The link between research, education, and production must become a general feature of activities in all sectors and must take concrete shape in the results obtained in production and in the efforts to increase the overall development level of our fatherland.

We should take steps to further increase labor productivity, by properly organizing work in enterprises, the productive process, mechanization, automation, robots, and other measures conducive to further raising labor productivity. However, we should not abandon good, valid practices. Let us exert thorough control over activities in well-known forms. We should not exaggerate the use of electronic devices to replace man. They must help man and be used only where really necessary, and there are many fields that require their use. But we should never give up supervising the installations or using normal, classical checks that enable us to avoid very serious accidents. I stress this because there are certain comrades who are beginning to idealize the use of certain gadgets and think that these devices can reduce the responsibility of men and experts for the proper development of activities. All these devices must be a help, but cannot and should not replace man.

It is necessary to take steps to firmly apply the overall contract system in all fields of activity. According to statistics, we are doing very well with the application of the overall contract system. In reality, it is only being formally applied in many places and not always in accordance with the provisions of the law. We must carry on a permanent dialogue with the people and post the work norms and programs in each section, so that everybody knows how much and what he has to produce in accordance with the provisions of the overall contract system. One should not think a problem is over once it has been discussed with the people! The employee should always be able to see his work norms posted, so as to know how to control their application. There is much that can be done in this respect.

We must put an end to exaggerations concerning overtime, which has become a practice used both when necessary and unnecessary. We have sectors and whole branches with continuous production flow, where all activity and the working process is being organized accordingly. However, there are sectors operating, as a rule, in two and sometimes three shifts. In truth, if work were properly done in the given two shifts and normal time, many enterprises, practically all of them, would produce almost 50 percent more than now, without any kind of overtime or Sunday work.

It is not necessary to call in people on Sunday to do overtime. We should organize the production activity better.

Of course, situations may arise when we have to manufacture a product faster or when we have an urgent order to finish on time. But this must be the exception, not the rule!

We must thoroughly prepare the working schedule and explain to the workers that they must work normal hours and that they can earn quite well in those hours. Let us instill order and discipline in this field, too!

Another problem I want to draw attention to is that of economic efficiency and profitability. Everybody knows our program of economic-financial measures and the norms governing expenditures and the circulating funds. However, these measures are not being firmly applied. How can one ensure normal financial activity when we have excess production inventories of about 125 billion lei? All sectors and all central departments—some more than others—have inventories of products, including certain export products reported as finished. Just the inventories of export products for hard currency markets and the socialist countries amount to almost 25 billion lei. Good management of the economic activity and of central departments and enterprises should act to reduce these inventories as well, so as to ensure the proper functioning of economic activities and the necessary means of payment.

We should examine this problem very thoroughly and establish programs to solve it, from bottom to top, from central level to the level of enterprises. The raw material problems have been solved, as they are being included in the state's central fund. But the rest of the materials have to be produced by our producing enterprises. The current consumption norms, which are very high, must be reduced several times over. Certainly, we do not have to do it this year, but in the coming years we must reduce them several times over, if we want to ensure the best possible economic activity, with maximum profitability. Now, we must focus on the issue of eliminating inventories. In the remaining two months of the first quarter we must completely eliminate the inventories of export products by delivering and shipping all products that have been completed.

In keeping with our norms, the completed export products cannot stay more than 12 days without being delivered. This is in accordance with the provisions of the law. From the moment it has been reported that the products are finished, they should be delivered within a maximum of 12 days. In the coming 2 months we must eliminate this state of affairs by all means. This means that the units will have about 25 billion lei available for their activity.

Our second problem is to eliminate the excess inventories of over 125 billion lei. We should examine the situation of these inventories in central departments and enterprises and include them in the production flow—even if some of them require a higher degree of processing—and take measures to use up all these materials. The central department or the ministry should be aware of the materials that cannot be used by a certain enterprise and, together with our planning and supplying bodies, with the National Council for Science and Technology, and with the Council of Ministers, should revise these problems and see to it that we have a completely clear

picture, actually at the end of this quarter. Thus it can be established how long it will take for all excess inventories to be introduced in the production flow. In my opinion it should not take longer than three months. This is also a problem that must be pursued daily and must by all means be solved, since it is a basic issue for ensuring efficiency and the good financing of economic-financial activity. The financial bodies should also very seriously involve themselves in optimally carrying out this activity.

Recently, we voted the law on the new measures for setting prices. The law became valid on 15 April. Some people thought that the provisions of this law did not concern all sectors of activity. We clarified this situation, and we established that, as of 15 May, this law should be applied in all sectors. It should be understood that the new price-setting system has to be applied in all sectors—including services to the population, cooperatives, and every other sector—starting from the cost price, in accordance with the established norms, with a maximum of 12 percent profit added to the production price. In general, in setting prices we will go down a little in order to leave room for further reduction of the production costs. Next week we are going to finalize prices and the maximum limits of those profits that have not been included in the decree. We must apply these measures firmly! We have decided to solve on this occasion also the problem of unprofitable products. We should no longer manufacture products that do not make at least 2-2.5 percent profit. We should examine the causes for manufacturing such products and, where we have problems on organizational measures, we should establish the time needed for reducing consumption and production expenditures. In general, we should improve the situation in those cases where prices were been established in accordance with reality, and we should establish the minimum profitability, thus put order in all enterprises and set them on the principles of self-management and self-administration. In accordance with the provisions of the law, we will have to take further steps to improve the pricing system and to reduce costs, material consumption, work expenditures, and general expenditures. I deem it necessary to stress that the retail prices of products, including consumers goods and services, will not be changed and will not increase as a result of the new measures. The provisions of the law in this respect are well known. I believe that these provisions should be posted and discussed in enterprises and be acknowledged by all working people.

Esteemed comrades, I mentioned at the beginning that we cannot be pleased with the way in which action is taken to achieve the export production. We have sufficient orders to achieve the export plan under the most favorable conditions in this quarter. At the same time, we will have to take the necessary steps to conclude all contract stipulations by the end of this quarter, so that in the second quarter we can already start working on contracts for the next year. Particular measures should be taken to fulfill the existing contracts ahead of schedule and manufacture in May what has been stipulated for June. We must finish the export production at least 15 days ahead of schedule. Of course, depending on the production flow, we have to strive to fulfill production tasks as far ahead of schedule as possible so as to fulfill export targets on time. I think that I do not have to insist on this issue any more. The existing orders for our exports for both hard currency markets and for socialist countries will ensure the complete fulfillment of the plan provisions for May and June.

Accordingly, we should also fulfill the import tasks. We discussed this issue and decided that we should actually achieve the entire production import in the first 10 days of a given month, so as to eventually reach a situation whereby we are a whole month ahead of the import schedule. In that way, nobody can claim that we have failed to ensure appropriate supplies of imported products. Of course, we do not have problems with raw materials, as we have secured the necessary supplies, but there are a number of other materials to be imported—from hard currency markets or on the basis of clearing with socialist countries—which we should also secure on time.

In this respect, I would like to draw attention to the need to firmly apply the provisions of the law on supplementary profits for exports, namely 10 percent for exports to hard currency markets and 6 percent for exports on the basis of clearing with socialist countries. Aside from the provisions of the law, one should also post everywhere the way in which the respective provisions are concretely applied in enterprises and sections and the rights of those fulfilling the production earmarked for export, so as to make sure that the provisions are properly understood and do not just stay on paper. Likewise, we must implement the supplementary remuneration for the export production, which should also be established for and posted in each section, so that the people know and receive their rights in accordance with what they produce. I am convinced that this will give a further impetus to and determine the working people's collectives to do their best to commendably fulfill their export tasks and deliver their products on schedule, as stipulated in the contracts with the foreign customers. I would like to draw attention to the fact that one should consider the export tasks as fulfilled only when the goods have already left the enterprise and are being shipped abroad. Only then can we consider the export tasks as fulfilled. I want this to be clear to everybody and, in accordance with the provisions of the law, this also applies to foreign trade enterprises.

At the end of last March we also voted the new law on economic contracts both for the domestic market and foreign trade. During the month of May, we have to proceed with the renewal of contacts—where such contracts were concluded on the basis of the old law—in accordance with the provisions and requirements of the new law. Of course, I am referring to domestic contracts, as we cannot renew the contracts concluded with foreign partners.

Let us see how all this will be implemented, and the Council of Ministers should establish in this respect a

system of monthly supervision, in accordance with the provisions of the law.

Firm steps should be taken to increase material incentives on the basis of the principles of socialist remuneration, the overall contract system, and the fact that nobody can have incomes or good living conditions without work and productive activities.

Of course, one should also take steps to use manpower more rationally in all fields.

As we said at the latest PEC meeting, we must act to improve the entire management and planning activity. Let us proceed in such a way as to ensure that our bodies can fulfill their duties and role—in accordance with the country's laws and our democratic management system—in solving socioeconomic development problems.

I would like to draw particular attention to the work of central departments and the need to improve and increase their role in running the activity of all subordinated enterprises. We must improve both the work of enterprises and their organization and specialization! The commission we set up today will tackle this problem. We have too many enterprises. In a given locality, we have two or three small enterprises in the same branch. This complicates the supply activity, technical assistance, and many other things and also leads to waste. We have discussed this issue in the past, and we want to resolve it in the coming 3-4 months. We will also have to review the organization of central departments. We also have large enterprises and an organizational system for enterprises, factories, and sections. Hence, we can perform our work within this framework, without the need to find new organizational forms. I ask the central departments and ministries to think these problems over. As a matter of fact, the commissions for branches, central departments, and regions will have to apply all the discussed measures and carry them into actual fact.

I believe that the commissions recently set up will have to start work immediately, and we must conclude the entire operation within a few months, actually by next September. As far as the application of certain measures is concerned, we should not even wait for overall conclusions to become available, but rather proceed to gradually applying and implementing them in actual fact. When the general conclusions have been drawn, two thirds of the work should be finished.

We will have to pay particular attention to agricultural issues, to the planning of localities, and to the better use of land stock, as we discussed at the PEC meeting.

We should firmly apply in all areas the principles of democratic management such as self-management, self-administration, and self-financing of the entire economic mechanism. We should ensure the proper operation of the working people's councils and of municipal and central bodies, as well as close cooperation between the state bodies and the new bodies of workers' revolutionary democracy!

In accordance with the decision of the PEC, all the ministries, central departments, enterprises, all party and state bodies, and all the bodies of our workers' revolutionary democracy should firmly proceed in their activity from the guidelines and tasks included in the documents of the Central Committee Plenum regarding some issues of socioeconomic management, the ideological and political-educational activity, and international situation. In addition, on this basis, in a highly responsible spirit, we should examine the work carried out so far, and we should establish the necessary measures to raise our whole activity to ever higher levels.

More responsibility and more efficiency are required and order and discipline should be strengthened in all activity. Firm revolutionary actions are needed in all areas, starting from the need to unflinchingly implement the decisions of the 13th RCP Congress and of the Party National Conference, and to fulfill the plans and programs on socioeconomic development and on the active participation of the people's masses and of our whole nation in the management of all socioeconomic activity!

Let us do all we can and fulfill all the plan indicators, and thus, let us ensure the necessary conditions for the fulfillment of the plan for the whole year and for the whole 5-year plan period!

We are duty-bound to appropriately implement the decisions of the 13th RCP Congress and of the Party National Conference on the achievement of our strategic objectives. This year is a decisive one, and we must do all we can to conclude it with the best results achieved so far!

All those present here bear direct responsibility in all sectors of activity, since you practically represent the cadres and the basic aktiv of our party and state. As a matter of fact, the fulfillment of the provisions of plans and programs depend on us and on the work that each of us carries out, provided that—I repeat—the collective management bodies and the party bodies and organizations work properly and that working people and our whole nation actively participate in this work. Only under these conditions will we be able to appropriately fulfill the plan provisions!

We must commit ourselves most firmly and responsibly to this activity! This means perfecting management! This means working in a revolutionary and communist spirit and fulfilling our duty toward the party and the people and toward the cause of socialism and communism! This means the real contribution of our homeland and of our people to the general cause of socialism and to the cause of peace throughout the world! (loud, prolonged applause)

LCY Session Views Economic Policy, Membership

LD1205015188 Belgrade TANJUG Domestic Service in Serbo-Croatian 1051 GMT 11 May 88

[Excerpts] Belgrade, 11 May (TANJUG)—Topical ideopolitical issues in the realization of economic policy at the start of 1988 is the basic theme of the 14th session of the LCY Central Committee, which began today in Belgrade. In the discussion, the highest party forum should, it is expected, adopt an ideopolitical stance toward the proposed measures for economic policy after 15 May, the forthcoming agreement with the IMF, and directions for change in the economic system. An indication of the importance of these issues is the fact that a discussion on economic policy at the beginning of the year was not envisaged in the working program of the LCY Central Committee, but rather it imposed itself as a result of the complexity of the overall socioeconomic situation, unfavorable economic trneds, and the possible consequences of the new measures.

The Central Committee decided to begin a preliminary discussion on self-managing organization and decision-making in associated labor, and to postpone adopting separate conclusions on this problem, which was to have been done today, until one of the next meetings. This stance was adopted after a short discussion in which Nandor Major proposed that the debate on self-managing organization and the adoption of conclusions be postponed, since certain changes established in the document prejudice the work on changes in the socioeconomic system.

According to Major, in the main material prepared for the session and in the proposed conclusions, self-managing organization is discussed in the context of the kind of socioeconomic relations that currently do not exist in our country. This means, he specified, that we would be bringing in through the back door socioeconomic relations we have not debated and we have not taken any orientation toward.

Vidoje Zarkovic disagreed with postponing a debate saying that the LC should retain the initiative in taking stands on further development of the system, and should not wait for others to overcome it in this task and that it is the last one to take a stand. It is necessary to hear what the LCY Central Committee members think about the proposed changes in organizing associated labor, he stressed, and therefore a debate should be opened, and adopting conclusions could be postponed.

The text of the conclusions is of a deeply reformatory nature, Dobrivoje Vidic added. He proposed that a preliminary debate be held and that the conclusions be sent for discussion and adoption to the LCY conference. Janez Zahrastnik shared this view. He said that the conclusions should be adopted at one of the next sessions of the Central Committee or that they should be sent to the LCY conference. At the same time, he objected to the fact that members of the LCY Central Committee received the text only 2 days before the session.

Eventually, the Central Committee members accepted the proposal put forward by Radisa Gacic that at today's session there should be a preliminary debate about self-managing organization. They also authorized the Central Committee Presidium to draft proposed conclusions that will be discussed at one of the next meetings. Gacic also said that these problems would have to be discussed at the LCY conference as well. In connection with a debate on the reform of the economic system, he said that it was necessary to await the finalization of the work of an appropriate commission of the FEC and other bodies, and then decide whether a debate should be held before or after the LCY conference.

The Central Committee accepted the resignation of Hasim Redzepi from the post of LCY Central Committee member. Redzepi asked to be relieved of his duties because he has been elected to the Kosovo LC Provincial Committee Presidium. The Central Committee also endorsed the candidacy of Azem Vlasi as a member for the LCY Central Committee, which members of the highest party forum will decide on by secret vote at the session. [passage omitted]

Today the highest party forum also verified changes among its membership and among the membership of the LCY Central Committee Presidium. Milovan Sogorov and Kacusa Jasari, who were recently elected presidents of the Presidiums of the provincial LC committees of Vojvodina and Kosovo respectively, became ex officio members of the LCY Central Committee and its Presidium. Petar Simic, who was elected president of the Presidium of the committee of the LCY organization in the Yugoslav People's Army, also became an ex officio member of the LCY Central Committee Presidium, since he is already a member of the LCY Central Committee.

After this, Milanko Renovica, member of the LCY Central Committee Presidium, submitted an introductory report on the current ideopolitical questions of the realization of the economic policy at the beginning of 1988. [passage omitted]

In the SFRY Assembly, the prevailing view is that the proposed measures are on the line of the healthier economy and market economy and will assist in curbing inflation with economic measures, Marjan Rozic said. Administrative measures, he said, (among other things) affect the decline of workers' interest in market-oriented behavior and do not essentially contribute to curbing inflation. [passage omitted]

In this context, Rozic also urged caution in using new foreign funds that would be used as a support toward realizing new economic measures. He thinks that we should be organized in such a way that "breaks" are used

to prevent these funds from flowing into expenditure. Rather, they should be used for modernization and enabling the economy to increase imports considerably.

Rozic devoted a significant part of his talk to the need for liberation from excessive normativism. A multitude of regulations, he stressed, work toward eliminating all differences in the economic activity and reducing everything to the level of the average. Excessive normativism is preventing economic subjects from behaving like goods producers, while self-management is being reduced to a "production of its own norms." [passage omitted]

The directions of the proposed economic policy are on the line of the basic LCY orientations, Stefan Korosec said. He added that no single program could be implemented by itself. This means that an order of correctly measured moves should be set.

After he recalled that the structure of our economy is also conditioning various ideas about a way out of the crisis, Korosec spoke in favor of a clear concept of the economic policy, since the one employed so far has been overcome, as it has yielded no results in 8 years. A new economic concept must be based on stimulative, and not on restrictive solutions, with real objectives and realistic mechanisms of the economic policy for their realization. [passage omitted]

It is obvious that no essential contribution could be made toward a way out of the crisis with the measures of the current economic policy. Rather, deeper reforms of the economic system are needed for this, Dusan Ckrebic said. They should include all key areas of economic and social life, because if the opposite is the case, there will be a danger that material, financial, and other foreign support to the measures of the economic policy after the 15 May "meltdown" and no qualitative changes in the economic activity or changes in economic relations with foreign countries are brought about. [passage omitted]

Saying that the other day the LCY Central Committee Presidium already supported the so-called target inflation, in a discussion of the devaluation of the dinar, and established that without constitutional changes there cannot be [passage indistinct]

Dusan Dragosavac also spoke in favor of creating an alternative program of repaying foreign debts. We should also think how we should act together with other countries—debtors—for as long as possible. In order to succeed in this, Dragosavac said, we must achieve unity. [passage omitted]

Vidoje Zarkovic believes that it is urgent and significant to reach an agreement with foreign creditors. Any other alternative in the present situation could lead us to more difficult socioeconomic troubles.

New arrangement would, Zarkovic said, widen the space for the growth of production and increase chances for restructuring the economy. It only depends on us whether the opportunities the agreement offers are used properly or not.

The agreement with foreign creditors, Zarkovic added, also contains some elements that could, if we do not use this chance, lead us into an even deeper crisis. This refers to devaluation, which will additionally "push" prices. It refers to personal incomes, credit, and monetary policy....

It would be particularly dangerous to go beyond target inflation. This would speed up the real drop in personal incomes even more, which could naturally bring about major problems with financing the health service, education, and the Army.

Vidoje Zarkovic specifically pointed out attempts to blame federal organs for all failures. According to him, this is very dangerous for our unity. It is wrong to point a finger at the FEC as the only culprit. [passage omitted]

The patience of the working man is running out, and increasingly there are signs of apathy and lack of involvement. Earlier economic measures have not been fully realized. However, according to Vangel Gagacev, the proposed economic measures, some of which should be made more realistic, should be supported. In order to overcome difficulties, it is also necessary to change awareness, he added, speaking in favor of cadre rejuvenation. In other words, he is in favor of giving leading positions to people we can have confidence in. [passage omitted]

Joze Slokar's contribution to the discussion was noticeable because of his clear messages and several concrete proposals. Primarily, he demanded a more comprehensive answer to the question: What will happen if by the end of the year we go considerably beyond the so-called target inflation? He said the usual answer is completely insufficient and unsatisfactory: In that case personal incomes will have to be decreased realistically, as well as social expenditure. Such an answer is insufficient. This is because these are not the only two factors that could keep target inflation from being achieved. [passage omitted]

The Central Committee then endorsed working conclusions that support the proposed measures of the economic policy for after 15 May and the announced arrangement with the IMF. In the conclusions, put forward by Bosko Krunic, president of the LCY Central Committee Presidium, it is stressed, among other things, that the program of measures was based on the course of the 13th LCY Congress, the long-term economic program, and the conclusions of the 11th LCY Central Committee session. It is also stressed that the agreement with the IMF should be given support in order to ensure rescheduling of the country's commitments to a longer

period, and that it is necessary to use these funds for the rejuvenation of production, growth of exports, and restructuring of the economy.

After this, Slobodan Filipovic, executive secretary of the LCY Central Committee Presidium, submitted an introductory report on the ideopolitical questions of further developing self-managing organization and decision-making in associated labor.

Before the opening of a debate on self-managing organization and decisionmaking in associated labor, the LCY Central Committee elected Azem Vlasi member of this highest-ranking party forum. [passage omitted]

The first to speak about the organization of associated labor was Milovan Popovic, who thinks that an adequate organization in economy is an essential prerequisite for economic reform. [passage omitted]

Josip Eterovic drew attention to a need for and the importance of a clearly defined orientation of the LCY Central Committee on self-managing organization, as time is no longer an ally because of ideological differences and because of what is currently been carried out in Mikulic's commission. [passage omitted]

Sergej Krajger supported the basic stands in the introductory report on this subject, saying that they are in line with the conclusions of the 13th LCY Congress. He disagreed with assessments in the proposed concludions whereby the absolutization of basic organizations of associated labor are brought about under the influence of the Constitution and the Law on Associated Labor. He also called for a cautious approach to changes in the organization of associated labor so as to avoid any abiguities that could result in management structures, together with forces outside an organization, completely taking over decisionmaking from workers.

Otherwise, Krajger saw reasons for obvious stagnation in the development of self-management in the fact that we have not yet developed market and economic relations and that the worker has not yet become the exponent of social ownership. Because of all this, he stressed, we could not even establish social and legal persons who could take upon themselves all the risks in development and management. He also pointed out that so-called working units should be elaborated either in the Constitution or in appropriate laws. [passage omitted]

In Milan Kucan's opinion, it is necessary to support above all those solutions that imply a possibility of choice in the way concrete economic collectives will be organized. This would enable a speedier adaption to market demands. It would be particularly dangerous, said Kucan, for us to turn now toward artificial integration into a new compulsory way of associating. No one should be given grounds for re-establishing a rigid organization of economy.

Milan Kucan called for careful examination of all the differences in relation to these questions that are perhaps not as big as it appears at the moment. We should perhaps remove any doubts as to how the proposed conclusions fit in with the stands of the 13th LCY Congress. The congress calls for the reaffirmation of the constitutionally established role of the organization of associated labor, while stands in the draft conclusions are somewhat different.

Expressing concern that, unless these stands are determined in precise terms, the conclusions the LCY Central Committee passes could serve as a safety screen against the infiltration of dogmatic awareness, Kucan noted that the present practice is largely not the consequence of the organization of associated labor as established by the Constitution. One should not form an opinion or take action on the basis of a deformed practice, he said. [passage omitted]

The LCY Central Committee then adopted a final account of the LC for last year without discussion.

It was then reaffirmed that Milan Radovic should continue his office as member of the LCY Central Committee and its Presidium, as he has recently been elected president of the Montenegrin LC Central Committee Presidium.

CC Conclusions

LD1105222588 Belgrade TANJUG Domestic Service in Serbo-Croatian 1611 GMT 11 May 88

[Text] Belgrade, 11 May (TANJUG)—Following a debate on the topical issues of implementing the economic policy of the beginning of 1988, the LCY Central Committee adopted the following working conclusions:

1. The LCY Central Committee notes that the FEC's proposed program of measures proceeds from the objectives and tasks set by the 13th LCY Congress, the long-term program of economic stabilization, and the conclusions of the 11th session of the LCY Central Committee. All the economic policy measures must be formulated in such a way as to bring about qualitative changes in the way the economic stabilization policy is being implemented. Full and active support will be given to those measures that can bring in new features to and deregulation of the economic trends by strengthening the market-oriented economic activity and enforcing the commodity production laws, together with an efficient system of self-management and social planning.

2. Price liberalization, exports, the foreign currency market, the dinar exchange rate, as well as the measures in the sphere of credit-monetary policy, spending, and others, should be in line with the market criteria and are expected to cut inflation and be conducive to dynamic economic growth and export expansion. The relevant organs and organizations should speed up their work on

revising these measures and the realistic criteria on which they are to be based in order to exercise full control over inflationary trends.

3. In order to carry out the program of normalizing the country's external liquidity, the Central Committee realizes the need for and gives its support to an agreement with the IMF designed to help reshceduling foreign debt on a long-term basis and under as favorable terms as possible as outlined at the 13th LCY Congress. It is of exceptional importance that the effects of the rescheduling and the new credits are used to secure current reproduction, a dynamic economic growth on stable foundations, restructuring in the economy, introduction of new technological solutions, and an increase in imports.

4. We must create conditons for an increase in real personal income by greater motivation of workers in associated labor to produce and export more and in line with increased labor productivity and increased efficiency in economic activity. Efforts must be invested to ensure that, once the proposed measures come into force, organizations of associated labor come up with solutions that will enable increases in personal incomes through greater efforts, more rational running of businesses, redistribution of resources for the benefit of associated labor, and growing exports. It is of vital importance to maintain the inflation rate target on which the successful implementation of the stabilization and spending policy depends.

5. The LCY Central Committee must continue its resolute action in society to rationalize and further develop social-sector activity in line with the capacity of associated labor.

6. Since the proposed measures will cause major problems as a result of reorganization in the economic activity of many organizations of associated labor and because at some stage the prices and inflation will increase, with an adverse effect on the standard of livings of the working people and citizens, especially those on low income, we must persevere in our insistence that in all environments and at all levels measures are taken to protect the standard of living of the most needy. In other words, the social welfare policy programs are drawn up and implemented as an integral part of the economic and development policy as well as a part of the program of restructuring the economy. All these programs are expected to provide necessary measures and solutions to resolve economic and social welfare problems. Organizations of associated labor and sociopolitical communities must do their utmost to ensure greater stability on the market and regular supplies of, above all, agricultural and food products.

7. It is necessary to lay down operative tasks in carrying out cadre changes and enhancing the cadre structure in both organizations of associated labor and other self-managing communities and organizations and in the organs of sociopolitical communities and the bodies of sociopolitical organizations at all levels. We proceed from the awareness that without cadre changes, without promoting capable and creative cadres, we will not pull out of the crisis or create a more developed and richer socialist society.

In the new situation to be created by the planned changes in the economic system and the development and economic policy, conditions will be provided for the more efficient activity of the LC and other socialist self-managing forces organized within the Socialist Alliance of the Working People for the full mobilization of the working class, the working people, and all the nations and nationalities in our community and increased enthusiasm and commitment to pull out of the crisis.

9. The Central Committee is of the view that there should be no delay in carrying out the reform. Priority should be given to the reform of the economic system as one of the most important tasks and prerequisites in the efforts to pull out of the crisis. In this connection, the LCY Central Committee Presidium will shortly consider the ideopolitical issues of the reforms in the economic system, adopt its standpoints on outstanding issues and, if needed, recommend further discussions within the Central Committee. This is a major issue that calls for urgent consideration so that the next year's terms of economic activity can be determined soon after the changes in the economic system come into effect following the adoption of the constitutional changes.

Candidates for SFRY Assembly Posts Listed

LD1205151388 Belgrade TANJUG Domestic Service in Serbo-Croatian 1140 GMT 12 May 88

[Text] Belgrade, 12 May (TANJUG)—The SFRY Assembly Commission for Elections and Appointments today confirmed the proposal to elect Dusan Popovski, candidate from Macedonia, president of the SFRY Assembly for a 1-year mandate. Spasoje Medenica, candidate from Montenegro, is a candidate for the office of the SFRY Assembly's vice president.

The commission also endorsed a list of candidates for other top offices in the SFRY Assembly's two chambers. Stjepan Novakovic from Croatia has been nominated for the office of president of the SFRY Assembly's Federal Chamber, and Joze Marlot from Slovenia for the vice presidency. Under the commission's proposal, Abas Kazezi from Kosovo is nominated as president of the Chamber of the Republics and Provinces, and Miodrag Veljkovic from Serbia its vice president. All these posts are for a 1-year mandate.

The election will take place on 15 May at a session of the SFRY Assembly's chambers.

Poland's Messner To Visit 'Later This Month'

LD1205142188 Belgrade TANJUG in English 1232 GMT 12 May 88

[Text] Belgrade, May 12 (TANJUG)—Polish Premier Zbigniew Messner will visit Yugoslavia later this month at the invitation of Yugoslav Premier Branko Mikulic, Yugoslav Government Spokesman Ambassador Aleksander Stanic told today's news conference in Belgrade.

He added that the visit was a continuation of the open and useful dialogue between top-level Yugoslav and Polish officials.

The greatest attention will be devoted to promoting bilateral cooperation. Topical international questions will also be discussed, the Yugoslav Government spokesman said.

He underscored that the two countries' cooperation, especially economic, developed dynamically over the past few years and has reached a high level.

Israeli Foray Into Lebanon Condemned

AU1305071988 Belgrade BORBA in Serbo-Croatian 6 May 88 p 7

[TANJUG report: "Foray Into Lebanon Condemned"]

[Text] Belgrade, 5 May—The official spokesman of the Foreign Affairs Secretariat has given the following statement on the Israeli Armed Forces foray into southern Lebanon to the TANJUG diplomatic editor:

"Yugoslavia most harshly condemns Israel's latest armed foray into Lebanon, a country that has been constantly subjected to direct Israeli military aggression under various pretexts. The continuous aggressive acts to date, which are obvious violations of international legal norms, convince us that the present events could very easily escalate to dangerous proportions.

"These recent events in south Lebanon confirm the urgency to unconditionally implement UN Security Council Resolutions 424 and 425. One of the basic prerequisities for these is the withdrawal of Israeli occupation forces from this territory to calm down the situation and preserve Lebanon's independence, sovereignty, and territorial integrity.

"On this occasion, too, we want to express our full support to the preservation of independence and sovereignty of friendly and nonaligned Lebanon."